



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

A Share Stock Code: 000039
H Share Stock Code: 2039



2022 INTERIM REPORT

Important Notice

The 2022 interim report (hereinafter referred to as this “Report” or the “2022 Interim Report”) has been considered and approved at the fifth meeting of the tenth session of the Board in 2022. All Directors have attended the meeting to consider and approve this Report and the meeting was held as an on-site + web meeting.

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

The financial statements of the Group have been prepared in accordance with China Accounting Standards for Business Enterprises (“CASBE”). The interim financial statements and notes thereto for the six months starting from 1 January 2022 and ended on 30 June 2022 (hereinafter referred to as the “2022 Interim Financial Report”) in this Report have not been audited.

Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board and CEO, and Mr. ZENG Han, Chief Financial Officer, person-in-charge of accounting affairs and head of the accounting department, hereby warrant the truthfulness, accuracy and completeness of the 2022 Interim Financial Report in the Report.

The Company does not intend to distribute any interim cash dividend, issue bonus shares or convert shares from capital reserve into share capital for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

The forward-looking statements in the Report regarding future plans and development strategies do not constitute a material commitment by the Group to investors. Investors are advised to be fully aware of the risks involved, to understand the differences between plans, forecasts and commitments and to be aware of the investment risks.

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

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Documents Available for Inspection

- (I) The original copy of the 2022 Interim Report of the Company signed by the Company's legal representative.
- (II) The original copy of the unaudited financial report of the Company for the six months ended 30 June 2022 prepared under CASBE duly signed and under the seal of the legal representative of the Company, the person in charge of accounting affairs and the head of the accounting department (chief financial officer).
- (III) The original copies of the documents and announcements of the Company published during the Reporting Period.
- (IV) The 2022 interim results announcement of the Company published on the website of the Hong Kong Stock Exchange.

Definitions

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

Items	Definitions
"Company"	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange.
"CIMC" or "Group"	The Company and its subsidiaries.
"Director(s)"	The director(s) of the Company.
"Board"	The Board of the Company.
"Supervisor(s)"	The supervisor(s) of the Company.
"Supervisory Committee"	The supervisory committee of the Company.
"Shareholder(s)"	The holder(s) of A share(s) and H share(s) of the Company.
"Reporting Period" or "Period"	The six months from 1 January 2022 to 30 June 2022.
"Rules of Procedure for the General Meetings"	The Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.
"Rules of Procedure for the Supervisory Committee"	The Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd.
"Rules of Procedure for the Board"	The Rules of Procedures for the Board of China International Marine Containers (Group) Co., Ltd.
"Articles of Association"	The Articles of China International Marine Containers (Group) Co., Ltd.
"CASBE"	Accounting Standards for Business Enterprises – Basic Standard and 42 Specific Accounting Standards issued by the Ministry of Finance of the PRC, and application guidance and interpretations to CASBE and other related regulations.
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules.

Definitions

“Corporate Governance Code”	The Corporate Governance Code contained in Appendix 14 of the Hong Kong Listing Rules.
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.
“H Share(s)” (or “Overseas-listed Foreign Share(s)”) ”	Overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.
“A Share(s)” (or “RMB-denominated Ordinary Share(s)”) ”	Domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in Renminbi.
“CSRC”	China Securities Regulatory Commission.
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“HKSCC”	Hong Kong Securities Clearing Company Limited and HKSCC NOMINEES LIMITED.
“Shenzhen Capital Group”	Shenzhen Capital Holdings Co., Ltd., a state-owned enterprise established in the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal, which is the largest Shareholder of the Company.
“China Merchants Group” or “CMG”	China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise established in the PRC under direct control of the State-owned Assets Supervision and Administration Commission, which is the second largest Shareholder of the Company.
“CIMC TianDa”	CIMC-TianDa Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability in 2002 and a holding subsidiary of the Company. Its shares were listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 445), and on 25 January 2021, the listing of the shares of CIMC TianDa on the Hong Kong Stock Exchange was withdrawn after privatisation by way of a scheme of arrangement.
“CIMC Enric”	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands with limited liability in 2004, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Hong Kong stock code: 3899) and a holding subsidiary of the Company.
“CIMC Finance Company”	CIMC Finance Co., Ltd., a company incorporated in the PRC in 2010 and a holding subsidiary of the Company.

Definitions

“CIMC Financial Leasing Company” or “CIMC Financial Leasing”	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC in 2007, introduced the strategic investor in December 2021 and completed the change of industrial and commercial registration and equity delivery in May 2022, and became a holding subsidiary of Shenzhen Capital Group and an associated company of the Company.
“CIMC Raffles”	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore in 1994 and a holding subsidiary of the Company.
“CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a company incorporated in the PRC in 1996, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1839) and on the ChiNext Market of Shenzhen Stock Exchange (stock code: 301039), and a holding subsidiary of the Company.
“CIMC Transportation Technology”	CIMC Transportation Technology Co., Ltd, a company established in the PRC in 2019 and a holding subsidiary of the Company.
“CIMC Construction Technology”	CIMC Construction Technology Company Limited (中集建築科技有限公司), a company incorporated in the PRC in 2021 and a holding subsidiary of the Company.
“Ziegler”	Albert Ziegler GmbH, a company incorporated in Germany and a holding subsidiary of the Company.
“Southern CIMC”	Shenzhen Southern CIMC Containers Manufacture Co., Ltd., a company incorporated in the PRC in 1995 and a holding subsidiary of the Company.
“CIMC Industry & City”	Shenzhen CIMC Industry & City Development Group Co., Ltd. (深圳市中集產城發展集團有限公司), a company incorporated in the PRC in 1998 and an associate of the Company.
“CIMC Wetrans”	CIMC Wetrans Logistics Technology (Group) Co., Ltd. (formerly known as “CIMC Modern Logistics Development Co., Ltd.”, with the name changed on 21 July 2021), a holding subsidiary of the Company.
“CMIC”	CMIC Ocean En-Tech Holding Co., Ltd., a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 206).
“Sinotrans & CSC”	Sinotrans & CSC Holdings Co., Ltd., together with its subsidiaries “Sinotrans & CSC Group”.

Definitions

“China Merchants Port”	China Merchants Port Group Co., Ltd., together with its subsidiaries “China Merchants Port Group”.
“China Merchants RORO”	China Merchants Guangzhou Roro Shipping Company Limited (廣州招商滾裝運輸有限公司), together with its subsidiaries “China Merchants RORO Group”.
“Sinotrans”	Sinotrans Container Lines Co., Ltd. (中外運集裝箱運輸有限公司), together with its subsidiaries “Sinotrans Group”.
“SIPG”	Shanghai International Port (Group) Co., Ltd., together with its subsidiaries “SIPG Group”.
“Trust Plan”	The trust plan set up under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (Draft), which was considered and approved at the annual general meeting of the Company on 1 June 2020.
“Yantai Guofeng Group”	Yantai Guofeng Investment Holdings Group Co., Ltd., which is incorporated in the PRC.

Glossary

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

Items	Definitions
EPC	Engineering Procurement Construction.
FPSO	Floating Production Storage and Offloading.
GSE	Ground Support Equipment, refers to airport equipment used to ensure flight safety. To meet the requirements for aircraft maintenance and flights, airports are equipped with a variety of modern ground support equipment, including but not limited to mechanical, electric, hydraulic and special gas equipment.
HSE	Health Safety Environment.
Jack-up Drilling Platform	A jack-up drilling platform is a mobile oil rig commonly used for shallow water operation. Most jack-up rigs operate in water depths ranging from 250 to 400 feet. This oil drilling equipment is generally used for mounting machinery, power supply, equipment and accommodation facilities for drilling and certain liftable spud legs on a platform floating on the water.
LNG	Liquefied Natural Gas.
Modular Building	The building manufactured in a factory environment and transported to a prepared project site to be installed.
ONE Model	Optimization Never Ending, the lean management system of the Group.
QHSE	A management system that guides and controls an organisation in respect of Quality, Health, Safety and Environmental aspects.
Semi-submersible Drilling Platform	A semi-submersible drilling platform is a mobile oil rig; the upper part of the hull structure is the working deck and the lower part comprises two lower hulls, with the parts connected by support columns. When in operation, the lower hulls are submerged into the water. A semisubmersible platform is generally used in deep seas with water depths ranging from 600–3,600m. The platform typically uses a dynamic positioning system for positioning.
TEU	Twenty-foot equivalent unit, also known as a standard unit (a container with a length of 20 feet, a height of 8 feet and 6 inches and a width of 8 feet), being used to measure the volume of a container.
LPG	Liquefied Petroleum Gas.

Chapter I Corporate Profile

I. COMPANY INFORMATION

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

Chapter I Corporate Profile

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary to the Board/ Joint Company Secretary:	Wu Sanqiang
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755-2669 1130
Facsimile:	(86) 755-2682 6579
Email Address:	ir@cimc.com
Representative of Securities Affairs/ Joint Company Secretary:	He Linying
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755-2680 2258
Facsimile:	(86) 755-2682 6579
Email Address:	ir@cimc.com

III. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

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

Chapter I Corporate Profile

IV. STOCK INFORMATION OF THE COMPANY

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

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

Whether the Company's registered address, the Company's office address and its postal code, Company website, and e-mail have been changed during the Reporting Period

Applicable Not Applicable

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

Applicable Not Applicable

Whether the other relevant information has been changed during the Reporting Period

Applicable Not Applicable

Chapter II Summary of Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Whether the Company needs to make retrospective adjustments to or restate the accounting data of previous years

Yes No

Unit: RMB thousand

Consolidated Income Statement Items	January – June 2022 (unaudited)	January – June 2021 (unaudited)	Changes from
			the same period of the previous year to the Reporting Period
Revenue	72,126,258	73,184,549	(1.45%)
Operating profit	4,453,521	6,889,375	(35.36%)
Profit before income tax	4,498,100	6,859,213	(34.42%)
Income tax expense	1,264,012	1,813,717	(30.31%)
Net profit	3,234,088	5,045,496	(35.90%)
Net profit attributable to shareholders and other equity holders of the Company	2,538,512	4,297,459	(40.93%)
Profit or loss attributable to minority shareholders	695,576	748,037	(7.01%)
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss	2,697,578	3,648,549	(26.06%)

Unit: RMB thousand

Consolidated Balance Sheet Items	30 June 2022 (unaudited)	31 December 2021 (audited)	Changes from
			the end of previous year to the end of the Reporting Period
Total current assets	91,219,886	81,457,379	11.98%
Total non-current assets	67,130,743	72,865,122	(7.87%)
Total assets	158,350,629	154,322,501	2.61%
Total current liabilities	70,803,884	69,422,602	1.99%
Total non-current liabilities	26,867,362	27,919,809	(3.77%)
Total liabilities	97,671,246	97,342,411	0.34%
Total equity attributable to shareholders Equity attributable to shareholders and other equity holders of the Company	60,679,383	56,980,090	6.49%
Minority interests	47,327,303	45,118,633	4.90%
	13,352,080	11,861,457	12.57%

Chapter II Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

Consolidated Cash Flow Statement Items	January –	January –	Changes from
	June 2022	June 2021	the same period
	(unaudited)	(unaudited)	of the previous
			year to the
			Reporting Period
Net cash flows from operating activities	3,635,390	6,261,059	(41.94%)
Net cash flows from investing activities	(1,876,542)	(2,010,629)	6.67%
Net cash flows from financing activities	3,573,706	(3,202,638)	211.59%

Key Financial Indicators

	January –	January –	Changes from
	June 2022	June 2021	the same period
	(unaudited)	(unaudited)	of the previous
			year to the
			Reporting Period
Basic earnings per share attributable to shareholders of the Company (RMB)	0.6996	1.1673	(40.07%)
Diluted earnings per share attributable to shareholders of the Company (RMB)	0.6893	1.1670	(40.93%)
Weighted average return on net assets (%)	5.44%	10.09%	(4.65%)
Weighted average return on net assets after deducting non-recurring profit or loss (%)	5.78%	8.52%	(2.74%)
Net cash flows from operating activities per share (RMB)	1.01	1.74	(41.95%)

	30 June	31 December	Changes from
	2022	2021	the end of
	(unaudited)	(audited)	previous year to
			the end of the
			Reporting Period
Net assets per share attributable to shareholders and other equity holders of the Company (RMB) (Total shares based on ordinary shares outstanding at the end of the period)	13.16	12.55	4.86%

Chapter II Summary of Accounting Data and Financial Indicators

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

The total share capital of the Company as of the trading day preceding the date of disclosure (shares)	5,392,520,385
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Fully-diluted earnings per share based on the latest share capital

Dividends paid for preferred shares	-
Interests paid for perpetual bonds (RMB thousand)	-
Fully diluted earnings per share based on the latest share capital (RMB/share) (Note)	0.4707

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

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

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

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

Applicable Not Applicable

Chapter II Summary of Accounting Data and Financial Indicators

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Applicable Not Applicable

Unit: RMB thousand

Items	January – June 2022 (unaudited)
Losses on disposal of non-current assets	(5,755)
Government grants recognised in profit or loss for the current period	210,725
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment gains arising from disposal of investments in other equity instruments, other debt investments and other non-current financial assets and gains or losses from changes in fair values of investment properties subsequently measured at fair value, except for the effective hedging activities relating to the Group's ordinary activities	(475,976)
Net losses from disposal of long-term equity investment	(212,199)
Other non-operating income and expenses other than the above items	43,194
Effect of income tax	112,568
Effect of minority interests (after tax)	168,377
Total	(159,066)

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

Details of other profit/loss items defined as non-recurring profit/loss items:

Applicable Not Applicable

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") as recurring profit or loss items:

Applicable Not Applicable

Chapter III Report of the Board

I. BUSINESS SUMMARY

The Group is a world leading equipment and solution provider in logistics and energy industries, and its industry cluster mainly covers logistics and energy fields. In the logistics field, the Group still adheres to taking container manufacturing business as its core business, based on which to develop road transportation vehicles business, airport facilities and logistics equipment/fire safety and rescue equipment business and to a lesser extent, logistics services business and recycled load business providing products and services in professional field of logistics; in the energy field, the Group is principally engaged in energy/chemical/liquid food equipment business and offshore engineering business; meanwhile, the Group also continuously develops emerging industries and has finance and asset management business that serves the Group itself.

Currently, the Group is principally engaged in, among other things, the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services. The multi-dimensional industry cluster of the Group aims to provide the logistics and energy industries with high quality and reliable equipment and services, provide the Shareholders and employees of the Company with good returns and create sustainable values for the society.

According to the latest 2022/23 Container Equipment Survey and Leasing Market Annual Report issued by Drewry, an industry authoritative analyst, the Group is ranked No. 1 in the world in terms of production volume of standard dry containers, reefer containers and special-purpose containers. According to the 2022 Global Tank Container Fleet Survey issued by the International Tank Container Organisation, the production volume of tank containers of the Group ranked No. 1 in the world. According to the 2021 Top Global OEM Ranking List for Semi-trailer Manufacturers published by Global Trailer, CIMC Vehicles, a subsidiary of the Group, was the world's No. 1 semi-trailer manufacturer in terms of production volume for nine consecutive years. CIMC TianDa, a subsidiary of the Group, is one of the major suppliers of boarding bridges in the world, and the Group is also one of the high-end offshore engineering equipment enterprises in China.

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

Chapter III Report of the Board

II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

1. Overview

During the Reporting Period, the Group's revenue amounted to RMB72,126.258 million (same period in 2021: RMB73,184.549 million), representing a year-on-year decrease of 1.45%. During the Reporting Period, the Group's net profit attributable to shareholders and other equity holders of the Company amounted to RMB2,538.512 million (same period in 2021: RMB4,297.459 million), representing a year-on-year decrease of 40.93%. Business analysis of each segment is as follows:

2. Review of Operations of Major Business Segments

Through business expansion and technology development, the Group has formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

(1) In logistics field:

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



The Group's container manufacturing business mainly consists of standard dry containers, standard reefer containers and special-purpose containers. The Group has the capacity to produce a full series of container products with independent intellectual property rights. Special-purpose containers mainly include North American domestic 53-ft containers, European pallet wide containers, bulk containers, special-purpose reefer containers, flatracks and other products.

In the first half of 2022, geopolitical incidents, rising overseas inflation and other factors have slowed down the global economy and trade activities, and the demand for marine containers gradually returned to normal from a historical high in 2021. Domestically, although the market was affected by the unexpected outbreak of the Omicron variant, the government made concerted efforts to coordinate the epidemic prevention and control and the economic and social development in an attempt to stabilise the economy, thereby achieving steady growth in terms of foreign trade exports in China. During the same period, the domestic container volume achieved a year-on-year increase of 3.0% to 142.31 million TEUs, among which, the container volume of foreign trade exceeded 85 million TEUs, representing a year-on-year increase of 6.1%. The container shipping for the foreign trade market remained relatively resilient.

As a result, during the Reporting Period, the production and sales volume of the Group's container manufacturing business witnessed a decline compared to last year's historical high, but still maintained a relatively good profitability. Among which, the accumulated sales volume of dry containers reached 675,000 TEUs (same period in 2021: 1,145,500 TEUs), representing a year-on-year decrease of approximately 41.07%. The accumulated sales volume of reefer containers reached 68,400 TEUs (same period in 2021: 94,500 TEUs), representing a year-on-year decrease of approximately 27.62%. Even if the extreme value recorded in 2021 is taken into account, the sales volume of both dry containers and reefer containers was in line with the average for the same period in the past three years and at the relatively good level for the same period in history. The container manufacturing business of the Group recorded a revenue of RMB22,767.965 million (same period in 2021: RMB27,450.809 million), representing a year-on-year decrease of 17.06%, and a net profit of RMB3,053.381 million (same period in 2021: RMB4,393.882 million), representing a year-on-year decrease of 30.51%.

Chapter III Report of the Board

- *Expand the road transportation vehicles business*

Road Transportation Vehicles Business



CIMC Vehicles, the main operating entity of the Group's road transportation vehicles business, is a leading global high-end semi-trailer and specialty vehicle manufacturer. The principal businesses of CIMC Vehicles include: (1) seven major categories of semi-trailer products business conducted in the four major markets worldwide, which include skeletal container semi-trailers, flatbed trucks and their derivatives, curtain side semi-trailers, van semi-trailers, refrigerated semi-trailers, tank semi-trailers and other special types of semi-trailers; (2) truck bodies for specialty vehicle products business conducted in China, which include the manufacture of urban muck truck bodies and concrete mixer truck bodies and sales of fully-assembled vehicles; (3) the manufacture of light van bodies and sales of fully-assembled light vans, which include refrigerated van bodies and dry cargo distribution van bodies.

During the Reporting Period, CIMC Vehicles achieved revenue of RMB11,195.842 million (same period in 2021: RMB17,711.844 million), representing a year-on-year decrease of 36.79%; achieved a net profit of RMB370.305 million (same period in 2021: RMB760.650 million), representing a year-on-year decrease of 51.32%. The main details are as follows:

- (1) In the first half of 2022, the global semi-trailer business of CIMC Vehicles achieved solid performance in general, with rapid growth in the overseas market and a downturn in the domestic market as affected by epidemic and other various factors. The sales of CIMC Vehicles' semi-trailers of various types amounted to 61,627 (same period in 2021: 81,628) around the world, and revenue from the global semi-trailer business amounted to RMB8,190.098 million (same period in 2021: RMB8,393.900 million), representing a year-on-year decrease of 2.43%.

In terms of the domestic semi-trailer market, according to the China Association of Automobile Manufacturers, in 2021, CIMC Vehicles' market share in China's semi-trailer market reached 12.1% with continuous rising market share, ranking No. 1 in China for three consecutive years. During the Reporting Period, the recurring epidemic and rising fuel prices have suppressed the domestic market demand for semi-trailers. However, the market demand gradually recovered due to the constant progress of the national logistics to ensure smooth work, and the orderly operation of the national freight logistics. In the long term, driven by both policy and market factors, China's logistics industry accelerated its integration with the transportation industry, and its semi-trailer industry underwent upgrade and iteration, further transforming into a large-scale manufacturing sector.

In terms of the overseas semi-trailer market, the sales of multi-category semi-trailers of CIMC Vehicles ranked at the forefront in the North American and European market. Due to the strong consumer demand in North America in the first half of the year and a tight global supply chain as the port congestion resulted in the shift from shipping to inland transportation, driving a surge in orders for road logistics vehicles. CIMC Vehicles proactively captured business growth opportunities and overcame the impact of the "big congestion" in the global supply chain to secure significant improvement in both revenue and profitability in the North American semi-trailer business as well as steady growth in the revenue of European semi-trailer business.

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- (2) In the first half of 2022, 9,111 (same period in 2021: 41,661) truck bodies for specialty vehicles were sold in China by CIMC Vehicles. China's truck bodies for specialty vehicles business realised a revenue of RMB1,491.072 million (same period in 2021: RMB7,715.325 million), representing a year-on-year decrease of 80.67%. On the one hand, the growth rate of domestic infrastructure and real estate investment further slowed down, putting pressure on the demand for specialty vehicles; on the other hand, the implementation of China VI vehicle emission standards resulted in overbuying in the same period last year, intensifying homogeneous competition in the industry, and leading to continuous sluggish market demand. Against the backdrop of carbon neutrality, CIMC Vehicles actively engaged in joint development and strategic cooperation with Original Equipment Manufacturers (OEMs) to promote the application of new energy heavy trucks in short- and medium-distance transportation, engineering construction and urban traffic. Although the industry demand was under pressure, the leading advantage of CIMC Vehicles remained stable.
- (3) In the first half of 2022, 2,712 light van bodies (including refrigerated van bodies and dry cargo distribution van bodies) (same period in 2021: 3,294 refrigerated van bodies) were sold in China by CIMC Vehicles, and realised a revenue of RMB93.052 million (same period in 2021: RMB153.458 million), representing a year-on-year decrease of 39.36%. Under the influence of the epidemic outbreak, insufficient supply of goods and excess amount of vehicles, low freight prices, the implementation of new blue-plate regulations and other factors, the light truck market was relatively sluggish in the first half of the year with slowdown of the overall market demand. With the official implementation of the technical specification of "understating the carrying capacities" for light trucks, coupled with the continued promotion of policies such as "rural revitalization", "14th Five-Year Plan for Cold Chain Logistics Development" and "National Unified Market", light vans have become a new popular category in China's commercial vehicle industry. CIMC Vehicles actively captured the development opportunities of urban distribution and cold chain logistics in China and actively enhanced its production capacity layout. The high-end manufacturing production base of its TB (太字節) business group is basically completed, radiating the core market of cold chain nationwide and expanding its business development in urban refrigerated distribution van bodies and dry cargo distribution van bodies.
- *Expand the airport facilities and logistics equipment, fire safety and rescue equipment business*



Through its subsidiary CIMC-TianDa, the Group is engaged in the business of airport and logistics equipment, fire safety and rescue equipment, mainly including passenger boarding bridges, airport ground support equipment, airport baggage handling systems, logistics handling systems and intelligent storage systems, comprehensive fire safety and rescue mobile equipment primarily based on various types of fire trucks and other fire safety and rescue equipment and services, including various types of fire pumps, intelligent control and management systems for fire vehicles and various types of fire-fighting systems, etc.

During the Reporting Period, the airport and logistics equipment and fire safety and rescue equipment businesses of the Group achieved a revenue of RMB2,588.085 million (same period in 2021: RMB2,833.005 million), representing a year-on-year decrease of 8.65%, and recorded a net profit of RMB16.943 million (same period in 2021: RMB179.593 million), representing a year-on-year decrease of 90.57%.

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The revenue of CIMC TianDa declined in the first half of the year as compared with the same period in the previous year as the delivery of orders lagged during the Reporting Period due to the impact of the recurring epidemic both at home and abroad and the unstable external economic environment. As of the end of June 2022, the size of orders on hand achieved significant increase compared to the end of the same period last year, and the production sites affected by the epidemic has gradually resumed normal operation and production. Therefore, CIMC TianDa is expected to return to an upward trajectory in the second half of the year.

- *Leveraging the logistics services business*



CIMC Wetrans, the main operating entity of the logistics services business of the Group is committed to becoming the leader characterised by “equipment + technology” in multimodal transport industry in the PRC, focusing on the multimodal transport network layout covering major domestic seaports, Yangtze River ports and railway hub stations to provide multimodal transport services by sea freight, air freight, rail combined transport and international trains. Through the development of river, sea, railway, air and land integrated multimodal transport business, professional logistics business, station and value-added service business, we built a development model combining containers, goods and yards with railway stations as the foundation, facilities as the support and technology as empowerment to provide customers with stable, efficient, digital and intelligent logistics solutions.

In the first half of 2022, China successively introduced a package of policies and measures to stabilise the economy and accelerate the promotion of foreign trade to maintain stability and improve quality, boosting the market of China’s logistics industry. In terms of industry dynamics, the gradual easing of global port congestion, continuous adjustment of international sea and air freight prices, the opening of the China – Laos Railway and the Regional Comprehensive Economic Partnership (RCEP) in effect brought new opportunities for China’s foreign trade export logistics.

During the Reporting Period, the logistics services business of the Group realised a revenue of RMB17,278.702 million (same period in 2021: RMB9,925.645 million), representing a year-on-year increase of 74.08%, and recorded a net profit of RMB300.263 million (same period in 2021: RMB165.921 million), representing a year-on-year increase of 80.97%. It was mainly due to the impact of new mergers and acquisitions of enterprises in the second half of last year and the current period.

In the first half of 2022, the Group introduced two strategic investors, SIPG (Shanghai International Port Group) and Hidden Hill Capital, for its logistics services business in order to allocate more resources and investments to improve multimodal transport channel network, control core resources and develop more direct customers.

In respect of integrated multimodal transport business, the Group expanded its international maritime shipping routes so that these routes fully cover North America, Latin America, Europe, Australia and New Zealand, South Asia, Southeast Asia, and Africa; and in respect of railway intermodal transport business, we developed several sea-rail proprietary routes relying on Shanghai Port, and Yiyue Channel, a domestic trade multilink trunk channel, was officially opened. Our efforts to transport more containers through Central Asia and China-Laos railway expresses brought about continuous increase in business volume. **When it comes to specialised logistics**, the Group continued to strengthen its presence in fresh and cold chain logistics, clean energy logistics and special cargo logistics. **For yard and value-added service business**, the Group further strengthened its cooperation with shipping companies, ports and railways, and accelerated the development of multimodal transport collection and distribution system and the creation of global multilink network hubs in order to improve its capacity in multimodal transport products, thus providing professional, flexible, stable and reliable logistics solutions for industrial customers.

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During the Reporting Period, CIMC Wetrans was selected as one of the Ten Best Logistics Enterprises in China by the China Logistics Times and the Review Organising Committee of the Golden Pegasus Award* (金飛馬獎評審組委會) for logistics industry in China. In August 2022, it was awarded the “Top 50 Logistics Enterprises in China” by the China Federation of Logistics & Purchasing.

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



The Group’s recycled load business focuses on providing customers with comprehensive solutions for recycling packaging instead of disposable packaging to facilitate carbon neutrality. It mainly provides comprehensive solutions for R&D, manufacturing, operation and packaging of professional recycled load for industries including automobile, new energy power battery, photovoltaic, household appliances, liquid chemical, fresh food, rubber and bulk commodities.

In the first half of 2022, some of our businesses were affected to a certain extent as a result of the disruption of cargo transportation caused by the epidemic and the continued downturn in the domestic commercial vehicle market. However, benefiting from the rapid development of the new energy power battery industry and the accelerated expansion of the rubber case business, the recycled load business of the Group maintained steady growth. During the Reporting Period, the recycled load business of the Group realised a revenue of RMB3,392.834 million (same period in 2021: RMB2,626.783 million), representing a year-on-year increase of 29.16%, and realised a net profit of RMB304.015 million (same period in 2021: RMB228.950 million), representing a year-on-year increase of 32.79%.

During the Reporting Period, the development of the Group’s recycled load business was as follows:

- (1) The recycling packaging R&D and manufacturing business continued the growth momentum in the second half of last year. We continued to increase our efforts in the development of recycling packaging R&D and manufacturing business and won the bids for the power battery recycling packaging business of a number of new energy leaders. The sales volume of recycling packaging maintained a good momentum.
- (2) In terms of the operation business, although the commercial vehicle market remained sluggish in the first half of the year, which resulted in a decline in the recycling packaging operation business in the automobile-related industry, the Group actively expanded its recycling packaging operation business in other industries and entered into business cooperation with leading photovoltaic enterprises and leading home appliance enterprises and put into operation. We also actively expanded the overseas rubber case operation business and added a number of strategic customers for rubber cases, thereby achieving steady growth in the leasing operation business.

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(2) In Energy field:

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



The Group's energy, chemical and liquid food equipment business segment is principally engaged in the design, development, manufacturing, engineering, sales and operations of various transportation, storage and processing equipment widely used in three sectors, namely clean energy, chemical environment and liquid food, as well as provision of relevant technical and maintenance services and integrated processing and distribution services. The main operating entity is CIMC Enric.

During the Reporting Period, the Group's energy, chemical and liquid food equipment business recorded a revenue of RMB9,594.446 million (same period in 2021: RMB8,314.992 million), representing a year-on-year increase of 15.39%; the net profit amounted to RMB468.297 million (same period in 2021: RMB347.901 million), representing a year-on-year increase of 34.61%. Among the three major business segments of CIMC Enric, the clean energy business recorded a revenue of RMB4,683.343 million (same period in 2021: RMB4,918.427 million), representing a slight year-on-year decrease of 4.78%; the chemical environment business recorded a revenue of RMB2,550.409 million (same period in 2021: RMB1,523.254 million), representing a year-on-year increase of 67.43%; the liquid food business recorded a revenue of RMB1,714.941 million (same period in 2021: RMB1,498.335 million), representing a year-on-year increase of 14.46%. As of the end of June 2022, CIMC Enric's orders on hand from overall business amounted to RMB17,346 million, representing a year-on-year increase of 41.66% (the orders on hand for the clean energy, chemical environment and liquid food segments reached RMB9.644 billion, RMB2.591 billion and RMB5.111 billion, respectively, representing an increase of 38.29%, 3.19% and 85.18%, respectively, compared with the same period last year). The accumulated new orders in the first half of the year amounted to RMB10,746 million, representing a year-on-year increase of 16.75%.

In the first half of 2022, the Group's energy, chemical and liquid food equipment business achieved steady growth. **(1) The clean energy segment:** the Company mainly focused on the layout of natural gas-related businesses and hydrogen energy-related businesses. During the Reporting Period, the segment remained basically flat in revenue because the supply logistics of raw materials were seriously affected by the outbreak of epidemic in various regions of China, further affecting the production capacity and the construction progress. LNG business: the segment recorded growth in sales revenue of upstream processing and treatment modules and related comprehensive services due to the continuous growth in domestic natural gas production. For storage and transportation, in terms of onshore equipment for storage and transportation, city gas storage and peak shaving is an important part of domestic energy planning, and the construction of relevant facilities at present is still far below the target, so revenue from the sales of LNG storage tanks has maintained growth driven by relevant policies. However, the sales volume of LNG transportation vehicles and other related transportation equipment recorded a decrease due to the decline in LNG consumption during the Reporting Period. In terms of maritime equipment, CIMC Enric delivered a total of two LNG bunkering vessels and secured orders for three LNG bunkering vessels. In terms of terminal applications, sales of LNG cylinders recorded a year-on-year decline due to the sales decline of LNG heavy trucks. LPG business: in terms of the onshore equipment, the pump-equipped LPG tanker developed and manufactured by CIMC Enric passed the first batch of "new materials, new technologies and new processes" technical evaluation in China, and took the lead in becoming the first two major equipment suppliers of intelligent LPG MicroGrid integrated solution to pass the evaluation in China. Currently, the delivery of relevant equipment has commenced. In terms of maritime equipment, CIMC Enric delivered two LPG transportation vessels during the Reporting Period. Hydrogen energy business:

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the business recorded a revenue of approximately RMB169,489,000 for the first half of 2022, representing a significant year-on-year increase of 175%; the accumulated new orders in the first half of the year amounted to approximately RMB230 million; and the orders on hand for hydrogen energy business amounted to RMB170 million. During the Reporting Period, CIMC Enric won several bids for hydrogen refueling station projects and with regard to the on-board hydrogen cylinder project in cooperation with Hexagon Purus, construction of the production lines for type IV bottles and the hydrogen supply system was accelerating. **(2) The chemical environment segment:** in the first half of 2022, this segment achieved a substantial increase in sales revenue due to the steel price hike, the globally hampered efficiency of ocean shipping, the lower turnover rate of chemical tankers and containers, and the surge in both sales volume and sales price of chemical tanker and container products driven by the appreciation of US dollar against Renminbi. The segment continued to provide refrigerated transportation solutions for electrolytes in the new energy industry, which is expected to be applied extensively. **(3) The liquid food segment:** the site construction projects involved in this segment were able to commence normal operation due to the easing of the COVID-19 epidemic. During the Reporting Period under review, various turnkey projects for beer, hard seltzer and spirits in China, Mexico, the U.S. and Cambodia progressed smoothly.

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



The Group's offshore engineering business is operated under an integrated operating model covering design, procurement, manufacturing, construction, commission and operation and provides mass and industrialised construction of high-end offshore engineering equipment and other special vessels, making it one of the leading contractors of high-end offshore engineering equipment in China that has actively participated in international competition in the offshore engineering equipment market. Its major businesses include construction of various types of drilling platforms and production platforms, construction of offshore wind power equipment and operation and maintenance of wind farms, manufacture of special vessels, etc.

With the imbalance between supply and demand of crude oil in the first half of the year, the demand rebounded but the supply was insufficient, resulting in the fluctuation in the oil prices at high levels, which was beneficial to the offshore engineering and oil and gas business. In addition, floating production storage and offloading (FPSO) and offshore wind power continued the relatively good development trend, which constituted the fundamentals for the continuous improvement of offshore engineering.

During the Reporting Period, as new orders for offshore engineering entered the construction period successively, the offshore engineering business of the Group recorded a revenue of RMB2,568.098 million (same period in 2021: RMB2,818.678 million), representing a year-on-year decrease of 8.89%, and a net loss of RMB240.857 million (same period in 2021: net loss of RMB680.365 million), representing a significant year-on-year decrease of 64.60%.

In the first half of 2022, in terms of new orders, the Group acquired newly effective orders with the value of USD610 million, including three ro-ro ships with the value of USD250 million, clean energy products with the value of USD230 million, and other orders with the value of USD130 million, realising an increase of 60.5% as compared with USD380 million for the same period last year. The value of accumulated orders on hand reached USD2.12 billion, representing an increase of 120% compared to USD960 million for the corresponding period last year, of which oil and gas, special ships, clean energy and other product lines accounted for 3:3:3:1 in respect of accumulated orders on hand.

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In respect of project construction and delivery: In January, the Y-TYPE semi-submersible yacht carrier built for Spliethoff was delivered at Longkou wharf; in February, the fuel mode commissioning for the largest dual-fuel ice-class ro-ro ship in the world was completed; in March, Jinghai No. 004 (經海004號), the intelligent cage built by CIMC Raffles for Yantai Jinghai Ocean Fishery Co., Ltd., was submersed and delivered in the waters of Nanhuangcheng (南煌城). So far, the first four cages of the "100 Cages Plan" for Yantai Jinghai Ocean Fishery Co., Ltd. have been assembled and settled in Nanhuangcheng Island (南煌城島); in April, the construction of the first "3060" series 2200T jack-up wind power installation vessel independently designed and built by CIMC Raffles for Shanghai Boqiang Heavy Industry Group Co., Ltd. commenced at the Yantai base; in May, the jack-up accommodation platform built for BP, a major oil and gas customer, was delivered, further strengthening the leading advantage of CIMC Raffles in the field of jack-up platforms at home and abroad; in June, the second RORO series ro-ro ship built by CIMC Raffles for Wallenius SOL, a Swedish customer, was delivered at the Yantai wharf.

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

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

During the Reporting Period, the Group's finance and asset management business achieved revenue of RMB1,149.645 million (same period in 2021: RMB1,052.589 million), representing a year-on-year increase of 9.22%, and net profit of RMB4.658 million (same period in 2021: net profit of RMB189.128 million), representing a year-on-year decrease of 97.54%. The main operating entities of the Group's finance and asset management business consist of CIMC Financial Leasing Company, CIMC Finance Company and offshore engineering asset management platform.

CIMC Financial Leasing Company: On one hand, CIMC Financial Leasing Company adhered to the strategic positioning of "integration of industry and finance", focusing on the Group's core business ecosystem and consolidating the operational and financial synergies in the Group's manufacturing segment; on the other hand, it gave full play to its professional operational advantages and actively expanded business fields such as green energy and health care, so as to better serve the real economy of Shenzhen and the high-quality urban development goals. From January to May 2022, CIMC Financial Leasing Company continued to enhance the integration of industry and finance to facilitate the development of the Group's manufacturing sector, further boosted strategic new business to serve the real economy, and achieved steady growth in the offering of new businesses. CIMC Financial Leasing Company successfully introduced the strategic investor in December 2021 and completed the change of industrial and commercial registration and equity delivery at the end of May 2022 and became an associated company of the Group.

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CIMC Finance Company: In the first half of 2022, CIMC Finance Company continued to deepen the centralized management of the Group's funds. Benefiting from the overall sufficient cash at bank and on hand of the Group, CIMC Finance Company achieved a stable increase in the level of capital concentration and the scale of deposits absorbed. While actively ensuring the capital supply of members of the Group, CIMC Finance Company constantly increased the financial support for the industry, provided differentiated and specialized comprehensive financial services for each segment, effectively improved the Group's capital management efficiency and effectiveness, as well as reduced various financial transaction costs for the Group. The new generation of core system of CIMC Finance Company was successfully launched and put into production in May. The system applied new technologies such as big data, mobile internet and artificial intelligence and integrated information technology and financial services, comprehensively improved the bearing capacity of the technological platform and the application level of the business systems. The launch of the system opened a new chapter for the financial technology development of CIMC Finance Company.

Offshore engineering asset operation and management business of CIMC: As of the end of June 2022, the offshore engineering asset operation and management business of the Group involved 16 offshore engineering assets in total, including two ultra-deepwater semi-submersible drilling platforms, three semi-submersible drilling platforms for severe sea conditions, three semi-submersible lifting/life support platforms, three 400-foot jack-up drilling platforms, four 300-foot jack-up drilling platforms and one high-end yacht. As of the end of June 2022, we acquired lease contracts for eight platforms, and the remaining service time of the lease contracts ranging from 5-60 months.

In the first half of 2022, the Group's offshore engineering asset operation and management business acquired one new lease contract, namely, a 5+2 year lease contract in respect of the "Perro Negro 11" 400-foot jack-up drilling platform with Saipem, a well-known Italian offshore engineering service provider. Currently, all preparation works are completed, and the platform was sailed to delivery point in mid-July this year. In addition, seven other lease contracts were in force, among which: the "Deepsea Yantai", the semi-submersible drilling platform, continued to execute the drilling service contract with Neptune Energy in Norwegian waters and its operational schedule will be executed until the third quarter of 2023; the "Huadian CIMC 01" continued to execute the offshore wind power installation service contract with Huadian Heavy Industries Co., Ltd. in the waters of Guangdong, with a total of 27 single pile installation tasks completed in the first half of the year; the "Bay Drill No. 4" (灣鑽四), the 300-foot jack-up drilling platform, continued to provide drilling and well intervention services to China Oilfield Services Limited in the Bohai Bay; the "Bay Drill No. 6" (灣鑽六) and "Bay Drill No. 8" (灣鑽八), the two 400-foot jack-up drilling platforms continued to execute bareboat charter in the Gulf of Mexico, providing drilling services to Petróleos Mexicanos, the Mexican National Oil Company; the "Caspian Driller", the 300-foot jack-up drilling platform, continued to execute the drilling service contract in the Caspian Sea.

(4) Innovative Businesses that highlight the advantage of CIMC:

- *Cold Chain Business*



The Group's cold chain business has integrated the strengths of cold chain products and services across all segments, mainly focused on the manufacturing of the cold chain equipment and the cold chain logistics services, and expanded strategic investment layout. The Group currently possesses a competitive advantage in the field of reefer containers, refrigerated vans and portable cold store, with the sales volume of reefer containers and refrigerated vans ranking at the forefront.

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In terms of cold chain equipment: For reefer containers, the Group actively expanded to the emerging market based on continuous enhancement of domestic regional channels, and we have expanded to various emerging markets, including India and Southeast Asia in the first half of the year; meanwhile, we proactively developed products such as planting boxes, refrigeration and heat preservation integrated containers, and new energy reefer containers; for refrigerated vans, revenue continued to grow in the first half of the year owing to the strong market demand for refrigerated vans in North America; for the portable cold store, the Group and the Guangxi Supply and Marketing Cooperative* (廣西供銷社) carried out farm pre-cooling pilot work in the first half of the year, using new portable cold store equipment for the pre-cooling of lychees. The Group has established a food supervision warehouse integrating functions of inspection, quarantine, sterilization and temporary storage for the cold chain construction in Pinggu District of Beijing. In addition, the Group has carried out the research and development and design of a “mobile factory”, which covers one-stop service of pre-cooling, sorting, packaging, refrigeration and preservation, delivery and transportation, allowing fresh food to be promptly delivered from farm to table via cold chain logistics. The portable fruit ripening warehouse of the Group has been applied and it has the advantages of being close to the market, allowing flexible and portable deployment, improving product quality, increasing product shelf life and reducing product loss. Now we have nearly 100 contracts in terms of this product.

In terms of cold chain logistics services: The Group continued to expand its professional services in medicine and fresh food. For fresh food cold chain, we have established cold chain end-to-end service capability in Southeast Asia, and we actively explored cross-border export business based on existing advantages of multimodal transport services for cross-border imported fruits, and achieved breakthroughs in various categories including fresh fruits such as durian and high-end ingredients. For the medicine cold chain, CIMC Cold Cloud (Beijing) Technology Co., Ltd. continued to assist Daan Gene Co., Ltd. and other companies by offering safe and timely transportation of COVID-19 test kits, leading the transportation volume of nucleic acid test kits in the industry. CIMC Cold Cloud (Beijing) Technology Co., Ltd. contributed to the development of industry standards by participating in the preparation of the industry standard of the “Vaccine Storage and Transportation Service Specifications” (《疫苗儲存與運輸服務規範》) organized by the Pharmaceutical logistics Sub-branch of China Federation of Logistics & Purchasing.

- *Integrated Container Equipment Business*



In the first half of 2022, the integrated container equipment business of the Group continued to grow rapidly and was equipped with comprehensive system integration capabilities and industry brand effects, and established further closer cooperation with customers who are industry leaders. Currently, the Group focuses on expanding in energy and environmental protection fields, with business in the energy field mainly focusing on electrochemical energy storage equipment, wind power and photovoltaic equipment, new in energy vehicle equipment and power generation equipment; while business in the environmental protection field mainly focusing on water treatment equipment and waste treatment equipment, and gradually extends to the field of smart aquaculture. In the future, the Group will continue to cultivate the two fields of energy and environmental protection, further deepen cooperation with customers who are industry leaders, accelerate product research and upgrade and actively explore new “container +” applications.

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- *Modular Building Business*



The Group established a subsidiary, CIMC Construction Technology, in 2021 and integrated the modular building business under CIMC Construction Technology. CIMC Construction Technology is customer-centric, technology-led and innovation-driven, providing customers with one-stop and diversified integrated solutions for industrialised finished buildings in respects of “consultation, design, manufacturing, construction and delivery”, and striving to become a global technological leader in terms of green industrialised finished buildings. As an important breakthrough point in the Group’s “Stars-driven” strategy, CIMC Construction Technology has made substantial progress in the research and development of its assembled steel structure residential product system.

Overseas markets: CIMC Construction Technology cultivated the existing markets and further exploited new markets. While continuously obtaining stable apartment orders from Sweden, it successively obtained modular building projects such as the hotel project in the United States and the pension apartment project in Gibraltar with a contracted amount exceeding RMB450 million during the Reporting Period, and actively expanded to European countries such as Germany and Norway, achieving remarkable progress.

Chinese market: The Mainland China and Hong Kong has experienced recurring epidemic. CIMC Construction Technology has courageously taken its corporate social responsibility and actively undertaken the construction of several epidemic prevention facilities in Xinyang, Henan Province, Causeway Bay, Hong Kong, Jiangmen, Guangdong Province and Yangzhou, Jiangsu Province. As always, it has demonstrated the professional, high-quality and efficient services of CIMC in terms of modular building in making CIMC’s contributions to the prevention and fighting against the epidemic. Meanwhile, it continued to expand in the Hong Kong market, and obtained modular building projects such as the student apartments of the City University of Hong Kong (香港城大學生公寓) with a contracted amount exceeding RMB300 million. During the Reporting Period, thanks to CIMC Construction Technology’s strategy of deeply cultivating the Hong Kong market and the recognition of its technology and quality by the market, the order volume contracted in Hong Kong rose significantly year-on-year.

To respond to the current epidemic prevention and control requirements, CIMC Construction Technology has developed a mobile nucleic acid sampling workstation to provide an integrated solution for outdoor nucleic acid sampling. The workstation has been put into use in Dongguan, Shenzhen and Jiangmen, effectively solving the problem of sweating caused by nucleic acid testing personnel wearing protective clothing in hot weather, which helps to cope with ongoing resurgence of sporadic COVID-19 cases.

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(5) Capital Operations in relation to Main Businesses:

During the Reporting Period, the significant events of the Group in respect of capital operations are as follows: (1) In February 2022, the Company planned for the spin-off and domestic initial public offering of RMB ordinary shares (A shares) of CIMC Wetrans, a controlling subsidiary, and the listing of CIMC Wetrans on the Shenzhen Stock Exchange, which has been considered and approved by the shareholders at the general meeting of the Company held on 3 August 2022. (2) On 14 April 2022, CIMC Transportation Technology, a controlling subsidiary of the Company, proposed to introduce strategic investors and upon completion of the transaction, shares of CIMC Transportation Technology held by the Company will be reduced from 70.92% to 67.33% and CIMC Transportation Technology will remain a non-wholly owned subsidiary of the Group. (3) On 23 May 2022, CIMC Raffles Marine Engineering (Singapore) Pte Ltd., a subsidiary of the Company and Southern CIMC signed the joint venture contract with Yantai Guofeng Group to jointly fund and incorporate a joint venture, namely Yantai CIMC Raffles Marine Technology Group Co., Ltd.

III. FUTURE DEVELOPMENT AND OUTLOOK OF THE COMPANY

1. Industrial Analysis and Corporate Operating Strategy of Major Business Segments

The Group has formulated a strategic plan for the next three years, with the strategic theme of “stabilizing operation to achieve quality growth”. The Group will remain focused on the two major industries of logistics and energy, and its layout of emerging business will also focus on the two main fields of “smart logistics” and “clean energy” to develop emerging strategic businesses in “cold chain logistics”, “clean energy”, “lucid water and green mountains” and “rural revitalization”. The Group will optimize its business portfolio constantly to improve the level of asset returns and pursue high-quality and incremental business development.

(1) In the Logistics Field:

Container Manufacturing Business

According to the latest prediction made by CLARKSONS (a global authoritative industry analyst) in July, the growth of global container trade and shipping capacity in 2022 will be 0.2% and 3.6%, respectively. Although the growth of supply and demand in container shipping is diverging, due to the global supply chain congestion, the effective shipping capacity continues to be limited. Drewry (a global authoritative industry analyst) predicted that the loss of effective container shipping capacity caused by port congestion will reach 15% in 2022. The tight supply and demand in container shipping still exists, and the profit of container shipping industry is expected to reach a new record high in 2022. Considering the large volume of over-aged old containers to be phased out and replaced, the continued high profitability of the container shipping industry will facilitate the accelerated elimination and replacement of over-aged old containers, thus leading to the shift of dominant position from new demand to replacement demand. It is expected that the container market will remain steady in the future.

In the second half of 2022, the Group will improve its operational efficiency through long-term and continuous investment as well as management improvements in technology and equipment, such as the Dragon Project (龍騰計劃) and major technical reforms, and enhance the competitiveness of the products through taking the market and business as the driving forces, and the products and technologies as the core and the processing technology as the investment in technical innovation so as to enhance the comprehensive competitiveness of the traditional container business and consolidate its leading position in the industry. Furthermore, the Group will pay attention to the development of national policies and industry trends at all times, constantly develop the innovative business through the continuous business innovation mechanism, and has currently formed a group of innovative business portfolio with leading technology advantages, profitability advantages as well as huge industry space, covering modular building, cold chain, integrated equipment, new materials and other segments.

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Road Transportation Vehicles Business

As the epidemic has entered a new normalcy, the global demand for automobile manufacturing and logistics gradually recovered, with rebounding demand for semi-trailers in the world. With the continuous support from steady growth policy, acceleration of infrastructure construction, orderly recovery in supply chains and logistics, as well as other favorable factors, China's economy saw steady recovery while the demand for heavy truck returned to normal gradually. Under the implementation of "China VI" emission standards and the development of new energy vehicles, Chinese specialty vehicles companies are facing a new situation of coexistence of challenges and opportunities. With Chinese government's control over "understating the carrying capacities", promotion of "rural revitalization", the "14th Five-Year Plan for the Development of Cold Chain Logistics", "establishing a unified national market" and other policies, compliance light vans have become a new driving momentum for China's commercial vehicle industry.

CIMC Vehicles will continue to build a high-end manufacturing system, promote high-quality development, actively deepen the strategic layout of "six major businesses or groups" of CIMC Vehicles, and through the synergy of production and sales, achieve further increase in the domestic market share of the sub-segments, enable the overseas semi-trailer category to gain competitive advantages in the North American market, European market and emerging markets, and further enhance its leading position in the world. CIMC Vehicles will consolidate its main business in accordance with the core initiatives and resources of the "six businesses or groups", and achieve high quality development through high quality products and services, strong innovation, strong demand capture rate and brand influence, networked and intelligent production organisation and a complete industrial system, and by accelerating reforms to improve resource allocation efficiency, actively implementing standardisation strategies and improving the assessment and evaluation system for "development results". At the same time, CIMC Vehicles will initiate the policy for the "six businesses or groups" to promote high-quality development in 2023-2025, compile strategic development and organisational development plans, organise the core subordinate enterprises to conduct regular strategic development exploration, in order to find the "path of high-quality development".

Airport Facilities and Logistics Equipment, Fire Safety and Rescue Equipment Business

In respect of the airport facilities and logistics equipment industry: As smart airport construction will continue to be a global trend, and excellent integration capabilities and core equipment research and development capabilities are indispensable for rapidly capturing market share of the logistics industry, digitization, networking, and intelligence are the main directions for the development of airport and logistics facilities technology. **In respect of the fire safety and rescue equipment industry:** the development and application of new technologies in the emergency industry, the enrichment of emergency products and technologies, the development of intelligent, large-scale, special, unmanned, high-performance firefighting and rescue equipment are all trends of the development of the industry. The fire safety and rescue equipment industry is supported by national and industrial policies, and the downstream demand is sustainable. The steady progress of urbanization, the gradual improvement of the fire safety supervision system, the improvement of social public safety awareness, and the "smart fire safety" big data construction carried out across the country all provide a good foundation for the development of the industry.

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CIMC TianDa is committed to providing high-end and intelligent service equipment and solutions for cities around the world, and is actively expanding its airport and logistics, and firefighting and rescue businesses along two main lines of urbanisation and automation, and will optimise the allocation of segment resources to build a high-end manufacturing ecosystem with synergies of resources and management as the core. **Airport and logistics equipment:** we will continue to invest resources to strengthen our own R&D and production capacity and develop a broader range of products and services in order to consolidate and enhance our market share, maintain our competitive advantages and further enable our domestic brands and Made-in-China products to go global. In August 2022, the first autonomous passenger boarding bridge in Asia developed by CIMC TianDa was officially put into use at Chengdu Tianfu Airport, representing another intelligent technology product of CIMC TianDa to play an exemplary benchmarking role in terms of application prospects in the industry. **Fire safety and rescue equipment:** through full coverage of major geographies and major categories, we are committed to enhancing the global position and influence of China's fire safety and rescue equipment and its technology. With the support of national and industrial policies, CIMC TianDa will invest more resources in the future to develop and explore various new products and services to meet the needs of the market with the help of information technology and big data, including: (1) multi-functionalisation and intelligence of traditional products, such as rescue vehicles with fire extinguishing modules; (2) production of modular rescue equipment on the basis of different types of rescue and the needs of large emergencies, such as earthquake rescue modules, chemical rescue module, water rescue module, and mountain rescue module, etc..

Logistics Services Business

In the second half of 2022, domestic production demand will gradually recover, and in the peak period of foreign trade shipments, China's export situation will remain resilient. However, China's foreign trade is still under pressure due to the impact of multiple factors such as repeated epidemic, geopolitical conflicts, increased risk of global economic downturn, and the increased uncertainty in the international market. The Group's logistics service business will actively react to changes in the industry, adjust its market strategies in a timely manner, continue to provide customers with stable, high-quality and smooth logistics services, focus on multimodal transport, seize market opportunities and strive to increase market share.

In the second half of 2022, in the face of such a complex and volatile internal and external environment, the Group's logistics business will further cultivate major global shipping routes, extend its service chain, strengthen the deployment of local service capacity in international ports of destination, and increase joint venture cooperation with railways following the strategic mission of becoming a leader in multimodal transportation in China with the core of "equipment + technology". Meanwhile, the Group will appropriately build shipping capacity to comprehensively enhance its capability in serving the entire chain, and accelerate its layout in specialized logistics service fields such as cold chain, engineering projects and energy and chemical industries. On the other hand, the Group will increase investment in technology to promote the construction of digitization and informatisation, enhance standardised operation, explore the application of intelligent equipment and operation platform, and comprehensively enhance its technological capability, thereby propelling green, digital intelligence and high-quality development.

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Recycled Load Business

In the second half of 2022, the Group's recycling packaging business will remain stable as a whole. In particular, the Group will continue to strengthen its development efforts in the new energy power battery and photovoltaic industries. As the epidemic eases in Eastern China and cargo transportation starts to flow smoothly, the delivery of new energy recycling packaging orders will increase. In addition, stimulated by the domestic automobile consumption policy, the commercial vehicle market is expected to revive in the second half of the year, and the commercial vehicle recycling packaging business is expected to rebound.

In the second half of 2022, CIMC Unit Load will continue to seize the opportunity arising from the replacement of disposable packaging with recycling packaging and the rapid development of new energy in the context of the national dual-carbon strategy, to increase product operation and management capabilities and business expansion efforts. On the one hand, CIMC Unit Load will accelerate the integration of internal operation network and service outlets, and continue to optimize the intelligent leasing operation and management platform for recycling packaging to promote cost reduction and efficiency improvement in respects of operation and management. On the other hand, leveraging on the advantageous resources of the Group, it will strengthen external cooperation and expand the recycling packaging business in emerging industries such as new energy battery and photovoltaic industries.

(2) In the Energy Industries Field:

Energy, Chemical and Liquid Food Equipment Business

For the clean energy segment, natural gas plays a key role in the decarbonisation of the global energy system, with related equipment ushering in diversified demand growth. In the field of onshore clean energy, the European market will have a significant increase in the use of LNG shipping to supplement the shortfall in pipeline gas, generating demand for LNG receiving terminals, LNG tanks and other storage and transportation equipment. According to the 14th Five-Year Plan for the Modern Energy System, the domestic natural gas market will focus on strengthening oil and gas supply capacity and enhancing natural gas reserves and regulation capacity, which will provide strong support for the demand of upstream and midstream equipment. Meanwhile, as one of the important livelihood projects, rural gas storage tank stations and micro-pipeline network gas supply systems will continue to be steadily promoted. In the field of clean water energy, the wave of oil-to-gas transformation of domestic and foreign vessels will continue to advance, which is beneficial to the small and medium LNG liquefied gas transportation and bunkering vessel market. In addition, since the beginning of the year, with the intensive introduction of relevant hydrogen energy policies in many places, the development of the hydrogen energy industry has officially entered the fast lane. **For the chemical environment segment**, according to the report of the International Tank Container Organization (ITCO), global tank container holdings grew at a compounded rate of over 10% from 2011 to 2021, with holdings exceeding 686,650 units by the end of 2021. Fast-growing industries such as new energy and semiconductors in the PRC are becoming growth drivers for chemical containers. **For the liquid food segment**, beer continues to maintain a prominent share in the alcoholic beverage field, especially among the new generation groups; the beer market is expected to continue to grow steadily over the next three years.

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In the second half of 2022, **the clean energy segment** will continuously adhere to the business development strategy, namely “equipment manufacturing + engineering services + comprehensive solutions” in line with its advantages in the layout of the whole industry chain, to strengthen the layout of the full service chain with natural gas, LPG, industrial gases and hydrogen energy. Relying on the Sino-European interactive pattern to grow its international business, the segment continues to expand the innovative demonstration application of integrated solutions and services for upstream processing and treatment, enhance the capability of integrated and comprehensive solutions for “production, storage, transportation, refueling and utilization” of clean energy and promote the intelligent application of key energy equipment and optimised portfolio of the product business, to realize resource integration and integrated operation of the engineering business. **The chemical environment segment** will, while consolidating the tank equipment manufacturing business, actively improve the intelligence of products, and assist customers in increasing operational efficiency and realising smart logistics with the IoT technology. **The liquid food segment** will continue to consolidate its leading position in the beer and distillation sector, and strive to become a global leader in the manufacturing of stainless steel storage tanks and processing equipment for various liquid foods as well as turnkey projects. This segment pays close attention to the incremental market space brought about by the transformation and upgrading regarding carbon neutrality of domestic wine companies, and continues to develop new products and technologies to broaden revenue channels.

Offshore Engineering Business

In respect of the oil and gas business: Higher oil prices and the trend of continuous exploration and production of oil and gas in ultra-deep water have made the traditional offshore oil and gas business gradually recover, among which the FPSO business has performed well. It is expected that, benefiting from Petrobras’ oil production increase plan in the medium to long run, the number of orders newly signed in the FPSO market has grown strongly, and the capacity utilisation rate of offshore manufacturers will be greatly improved in the next three to five years. **In respect of the clean energy business:** carbon neutrality brings major development opportunities in the industry. Offshore wind power, hydrogen energy utilisation, offshore photovoltaics will form a huge industry scale, which will further consolidate the transformation of global offshore engineering equipment. Offshore wind power installation related equipment and operation and maintenance services will develop rapidly. **In respect of the ro-ro ship business:** The continual growing sales of new energy vehicles worldwide promotes the expansion of global automobile seaborne trade volume, which, superimposed by factors such as environmental protection, will lead to strong demand for new-build ro-ro ships.

In the second half of 2022, the Group’s offshore engineering business will continue to actively promote transformation, introduce strategic investors, and integrate the industry mapping. Taking offshore oil and gas as the foundation, the Group will gradually expand to new energy sources to form a combination that stabilises the cycle. On the whole, the oil and gas platform business has obtained the general contracting qualification for engineering procurement construction (EPC) of Petrobras’s offshore oil and gas platform during the Reporting Period, and will steadily advance towards the strategic direction of EPC general contracting in the future. The clean energy business will continue to take advantage of the design and construction of high-end offshore equipment, focusing on offshore wind power assembly and wind power operation and maintenance businesses. In respect of the ro-ro ship business, CIMC Raffles of the Group will seize market opportunities to expand its advantages in the market. Specific business strategies include: (1) taking quality orders: Based on market and customer opportunities, the Group will improve the level of taking orders and profitability, and control risks at the source; seize new energy opportunities to tap into new businesses, and lead new product development through R&D, achieving new business growth points; (2) high-quality growth: The Group will increase quality and efficiency, and continue to promote the improvement of personnel performance; dispose of inefficient assets and reduce low efficient occupation of resources; (3) risk prevention and control: The Group will, in line with the requirements of internal control and risk control, implement the risk identification, prevention and management in all dimensions of strategy, operation and project during the business management and control; (4) management improvement: The Group will build up core capabilities supporting enterprise development, improve product R&D capability and operating capabilities, and construct a strategic talent supply chain that supports the long-term enterprise development.

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(3) Finance and Asset Management Business:

CIMC Finance Company

In the second half of 2022, the external environment will remain uncertain, yet, following the gradual appearance of effects of a series of economic stabilisation policies, market expectations and confidence will recover sustainably, and China's economy is expected to pick up quarter by quarter in the second half of the year. The central bank expects to use a combination of measures, such as reducing reserve requirement ratios, structured instruments and cutting interest rates, to maintain reasonable and adequate liquidity. Money market interest rates are expected to remain low and loan interest rates are still likely to fall, and corporate financing demands will consequently gain momentum.

In the second half of 2022, CIMC Finance Company will continue to insist on taking transformation and upgrade as the core of strategic development, cultivate the existing businesses by adhering to its basic functional positioning, and continue to deepen the centralized management of funds. It will continue to improve and optimize financial products and services, increase financial support for the industry, enhance comprehensive financial innovation service capabilities and provide high-quality, distinctive and diversified financial services for members, so as to achieve a higher level of innovation-driven development.

CIMC's Offshore Engineering Asset Management Business

In the second half of 2022, CIMC's offshore engineering asset operation and management business will usher in both opportunities and challenges. On the one hand, international oil prices have stabilised at a relatively high level, shoring up production confidence in major production areas of oil and natural gas. For example, new market opportunities are emerging successively in areas like the North Sea, the Middle East and the Gulf of Mexico, and the drilling market continues to pick up, which bring benefits to platform disposal and rental and promote a generally positive market. On the other hand, the overall market demand for energy is expected to be lower due to the resurgence of the COVID-19 pandemic and the economic weakness caused by the COVID-19 pandemic and the geopolitical situations. The Organization of Petroleum Exporting Countries (OPEC) cuts crude oil demand by about 300,000 barrels per day in 2022 in its latest August report, but maintains a 3.21% demand growth rate for the year.

In the second half of 2022, the CIMC's offshore engineering asset operation and management business will continue to promote the lean management. It will increase efforts on market development on the basis of improving efficiency, and seize market opportunities to increase asset occupancy rates and project profitability, so as to realise a benign development of the offshore engineering asset operation and management business. On this basis, the Group's offshore engineering asset operation and management business will further consolidate its cooperative relationship with domestic and overseas customers to jointly address challenges and pressures.

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

Risk of economic periodic fluctuations: the industries that the principal businesses of the Group are engaged in are dependent on global and domestic economic performance and often vary with economic periodical changes. In recent years, the global economy has become increasingly complex with increasing uncertainty factors. In particular, the rise of the trade protectionism will have a negative impact on the growth of the global economy and trade. The changes and risks in the global economic environment demand higher requirements on the Group's operating and management capabilities.

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

Risk of trade protectionism and anti-globalisation: the geopolitical crisis that occurred in early 2022 exacerbated global inflationary pressures, disrupting national policy stances and posing a threat to world economic growth. Part of the Group's principal businesses will be affected by global trade protectionism and anti-globalisation.

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

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

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

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

COVID-19 related risks: the world was facing a more severe and complex economic situation as COVID-19 had swept the globe and Delta and Omicron, the highly infectious coronavirus variants, further spread. Currently, the new coronavirus variants are showing a development trend of "increasing infectivity and decreasing lethality", however, the development of epidemic and the progress of vaccination in other countries are subject to high uncertainty, all of which have a more complex impact on China's economy. The Group has adopted a series of key measures to further enhance the awareness of risk control, and implement the management and control measures.

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I. BUSINESS SUMMARY

1. Principal Businesses of the Company During the Reporting Period

For the main businesses of the Company and their respective operations during the Reporting Period, please refer to “I. BUSINESS SUMMARY” and “II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD” in “Chapter III REPORT OF THE BOARD” of this Report.

2. Analysis of Core Competitive Advantages

Strategic Positioning of “Manufacturing + Service + Financing”

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

Development Philosophies of Business Diversification and Globalisation

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

A Standardised and Effective Corporate Governance System

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

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Lean Manufacturing Management Capabilities

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

Integrated Resources and Ability to Achieve Collaborative Development

Guided by the national key development areas and the strategic development of the Group, during the year, the Group gave full play to its internal and external synergy advantages, optimised the top-level design of its business, implemented the coordinated development strategy of various segments, and expanded the domestic market in key areas. The Group, through the capital cooperation with key partners, optimised the market network of and introduced market resources for the relevant business; besides, the Group promoted the internal and external resource collaboration and model innovation by strengthening cooperation with governments, customers and other parties, striving to provide one-stop overall solutions for downstream customers.

Technological Research and Development Capabilities

The Group always attaches great importance to technological research and development capabilities through developing mid-to-long term development strategies to optimise R&D systems and platforms and accelerate the development of products and technologies as well as evolution of existing products to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialisation of technological achievements.

CIMC's Technology R&D centre is national-level enterprise technology centre, which has over 20 institutions including the National Energy Offshore Oil Drilling Platform Research and Development (Experiment) Centre and the National Engineering Laboratory for General Assembly Research and Development in Offshore Engineering, and Provincial and Ministerial-level Engineering Technology Centre, Engineering Laboratory and others. CIMC participated in the "National Enterprise Technology Centres 2021 Evaluation" and CIMC's Technology R&D Centre was ranked 91st among the 1,728 participating companies.

By the end of June 2022, CIMC had a total of 50 enterprises which were recognised as high-tech enterprises and 6 postdoctoral research centres. The Group's boarding bridges and freight semitrailers were selected as single champion products by the MIIT. Yantai CIMC Raffles Offshore Ltd. ("Yantai Raffles"), CIMC Safeway Technologies Co., Ltd ("CIMC Safe Tech") and Qingdao CIMC Reefer Container Manufacture Co., Ltd ("QDCRC") were selected as single champion demonstration enterprises by the MIIT. CIMC Vehicles (Jiangmen) Co., Ltd., Gansu CIMC Huajun Vehicle Co., Ltd., Dalian CIMC Logistics Equipment Co., Ltd., Zhumadian CIMC Huajun Vehicle Trading Co., Ltd., Enric (Bengbu) Compressor Co., Ltd. and Qianhai Ruiji Technology Co., Ltd. were selected into the national list of "Little Giant" enterprises with the features of specialization, refinement, uniqueness and innovation (國家級專精特新「小巨人」名單). Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd., Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd., Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("YZTH"), Nantong CIMC Energy Equipment Co, Ltd., Qingdao CIMC Composites Co., Ltd. and CIMC Vehicles (Shandong) Co., Ltd. were selected into the provincial list of enterprises with the features of specialization, refinement, uniqueness and innovation (省級「專精特新」企業名單).

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In the first half of 2022, CIMC continually implemented the strategy of technical innovation, promoted the implementation of key products in various sectors, systematically reviewed the upgrade direction of our products and technology for the next three to five years, simultaneously improved and optimised the system and mechanism of technical innovation, so as to enhance the competitiveness of the products and our profitability and help achieve the Group's goal of high-quality growth.

The Group has steadily improved its innovation level and has been continuously leading the high-end, intelligent and green development of China's high-end equipment manufacturing:

In terms of high-end: In the first half of 2022, the Group has independently developed and constructed the world's largest ice-class ro-ro vessel, the world's largest semi-submersible yacht carrier, and the world's largest 20,000m³ LNG carrier and bunkering vessel.

In terms of intelligence: The first self-developed unmanned intelligent boarding bridge in China was put into use in August.

In terms of green: The Group's first self-developed series of iconic products of 40-foot liquid helium tank container in China, the latest generation of electric duct machine products, the second-generation small skid-mounted 35Mpa hydrogenation unit of the new generation Z8 airport fire truck, the small LPG truck tanker, the first newly built pure LNG cement tanker for the "LNG promotion of Xijiang River (氣化西江)", the first batch of modified ships for the "LNG promotion of Pearl River (氣化珠江)" and the highest intelligent three-dimensional garage in Guangdong-Hong Kong-Macao Greater Bay Area have been delivered to provide carbon reduction solutions for the industry. In particular, in February 2022, CIMC's hydrogen energy equipment helped the Beijing Winter Olympics achieve "carbon neutrality", and provided relevant important equipment such as hydrogen energy storage and transportation equipment, refrigerated vehicles and snow wax vehicles for the Winter Olympics, helping China to hold a low-carbon, safe and warm Winter Olympics. In May 2022, after five years of technical research and development and demonstration, the small liquefied petroleum gas (commercial propane) truck tanker with unloading pump developed by the Group successfully passed the technical review of "new materials, new technologies and new processes", becoming the only domestic manufacturer that has passed the "Three New" assessment with the ability to provide solutions for the whole industry chain of LPG upstream, midstream and downstream and filling the gap in the national clean energy application field.

During the Reporting Period, the Group and its subsidiaries won a number of awards. The "Blue Whale Series New Generation Ultra-Deepwater Semi-submersible Drilling Platform" project won the first prize in Shandong Province Science and Technology Progress Award. The "R&D and Industrialization of Ultra-Long, Ultra-Wide and Heavy-Duty Intelligent Storage and Transportation Equipment for Efficient and Safe Multimodal Transport of Liquid Hazardous Chemicals" project won the third prize in Jiangsu Province Science and Technology Progress Award. CIMC's compressor IoT system was selected as an innovative pilot application case of the MIIT. Continuous fibre reinforced thermoplastic composite materials (lightweight, high-strength, environmentally friendly and recyclable new materials) have been explored for use in refrigerated trucks, and have been certified by the US FDA. The high-manganese steel LNG marine tank developed by CIMC has obtained the authoritative certification (the only one in China).

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At present, the industry is in a transition from high-speed growth to high-quality development, with digitalization becoming an important strategic means to promote economic and social development. Under the dual influence of policy orientation and repeated epidemics, CIMC responded to the national environment of “digital China” and “new infrastructure”, and proposed the framework of “digital CIMC” to guide the informationization construction of the Group. By accelerating the integration of informatization and industrialization, empowering enterprises in digital means and presenting enterprise values, the Group endeavours to enhance its overall competitiveness. By the end of June 2022, Ningbo CIMC Logistics Equipment Co., Ltd. (“NBCIMC”), QDCRC, Zhumadian CIMC Huajun Vehicle Co., Ltd., Luoyang CIMC Lingyu Automobile Co., Ltd., YZTH, Wuhu CIMC Ruijiang Automobile Co., Ltd., Dongguan CIMC Special Vehicle Co., Ltd., CIMC Safe Tech and Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. have been awarded the title of “Provincial Intelligent Manufacturing Demonstration Enterprise”.

Intellectual Property Rights Protection

In the first half of 2022, under the guidance of the Group’s product strategy of “maintaining product leadership, strengthening technological innovation, and promoting smart manufacturing”, the Group increased investment in research and development and newly applied for 213 patents (67 are invention patents), maintained 4,777 valid patents in total. During the Reporting Period, four patents including the storage and transportation container, the large-volume tank container, the nuclear power ship and the transport refrigerator based on phase change materials won the China Patent Excellence Award.

II. OPERATION DISCUSSION AND ANALYSIS

1. Overview

For details of operations of each principal business of the Group during the Reporting Period, please refer to “II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD” in “Chapter III REPORT OF THE BOARD” of this Report.

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2. Analysis of Principal Businesses

(1) Major financial data with a year-on-year change of more than 30%

Unit: RMB thousand

	January to June of 2022 (unaudited)	January to June of 2021 (unaudited)	Change (%)	Reason for change
Financial expenses	(115,513)	826,403	(113.98%)	Mainly due to the year-on-year decrease in interest expenses in the current period and the large exchange gains arising from the fluctuation of the US dollar exchange rate in the current period as compared to exchange losses in the same period last year
Asset impairment losses	45,803	111,089	(58.77%)	Mainly due to the provision for impairment losses on fixed assets and inventory depreciation losses in the same period last year
Investment income	170,092	681,913	(75.06%)	Mainly due to the investment loss from the disposal of long-term equity investments in the current period and the large investment gain from the disposal of derivative financial instruments in the same period last year
Losses on changes in fair value	(911,252)	(125,914)	(623.71%)	Mainly due to changes in fair value of derivative financial instruments
Income tax expenses	1,264,012	1,813,717	(30.31%)	Mainly due to the decrease in profit before tax during the current period

Significant changes in the Company's profit composition or profit sources during the Reporting Period

 Applicable Not Applicable

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(2) Composition of principal businesses during the Reporting Period

(1) Composition of revenue

Unit: RMB thousand

	The Reporting Period		The same period last year		Year-on-year change
	Amount	% of revenue	Amount	% of revenue	
Total revenue	72,126,258	100%	73,184,549	100%	(1.45%)
By industry/product					
Container manufacturing	22,767,965	31.57%	27,450,809	37.51%	(17.06%)
Road transportation vehicles	11,195,842	15.52%	17,711,844	24.20%	(36.79%)
Energy, chemical and liquid food equipment	9,594,446	13.30%	8,314,992	11.36%	15.39%
Offshore engineering	2,568,098	3.56%	2,818,678	3.85%	(8.89%)
Airport facilities and logistics equipment, fire safety and rescue equipment	2,588,085	3.59%	2,833,005	3.87%	(8.65%)
Logistics services	17,278,702	23.96%	9,925,645	13.56%	74.08%
Finance and asset management	1,149,645	1.59%	1,052,589	1.44%	9.22%
Recycled load	3,392,834	4.70%	2,626,783	3.59%	29.16%
Others	3,726,793	5.17%	3,111,150	4.25%	19.79%
Combined offset	(2,136,152)	(2.96%)	(2,660,946)	(3.63%)	19.72%
By region (by geographical locations of customers)					
China	37,436,059	51.90%	38,036,716	51.97%	(1.58%)
America	12,927,797	17.92%	12,616,824	17.24%	2.46%
Europe	14,850,549	20.59%	14,536,134	19.86%	2.16%
Asia (excluding China)	5,992,074	8.31%	6,553,420	8.95%	(8.57%)
Others	919,779	1.28%	1,441,455	1.98%	(36.19%)

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(2) Industry, product or region contributing 10% or more to the Company's revenue or operating profit during the Reporting Period

Unit: RMB thousand

	Revenue (unaudited)	Cost of sales (unaudited)	Gross profit margin	Changes in revenue from the same period of the previous year	Changes in cost of sales from the same period of the previous year	Changes in gross profit margin from the same period of the previous year
By industry/product						
Container manufacturing	22,767,965	17,481,885	23.22%	(17.06%)	(16.00%)	(0.97%)
Road transportation vehicles	11,195,842	9,944,943	11.17%	(36.79%)	(37.56%)	1.10%
Energy, chemical and liquid food equipment	9,594,446	8,048,463	16.11%	15.39%	14.60%	0.57%
Logistics services	17,278,702	16,255,009	5.92%	74.08%	74.54%	(0.25%)
By region (by geographical locations of customers)						
China	37,436,059	-	-	(1.58%)	-	-
America	12,927,797	-	-	2.46%	-	-
Europe	14,850,549	-	-	2.16%	-	-

The key operation information on the Company's principal business for the previous year collected by using the modified statistical method which was adopted during the Reporting Period

Applicable Not Applicable

Reasons for relevant information changes by over 30% on a year-on-year basis

Applicable Not Applicable

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3. Analysis of Non-Principal Businesses

√ Applicable □ Not Applicable

Unit: RMB thousand

Item	Amount	Proportion in total profit	Explanation on the formation	Recurring or not
Asset impairment losses	45,803	1.02%	Mainly due to goodwill impairment loss and inventory depreciation loss	No
Credit impairment loss	133,285	2.96%	Mainly due to bad debt losses of trade receivables	No
Investment income	170,092	3.78%	Mainly due to the disposal of derivative financial assets/liabilities and long-term equity investments as well as the investment gains/losses generated by other equity instruments during the holding period	No
Losses on changes in fair value	(911,252)	(20.26%)	Mainly due to changes in fair value of derivative financial instruments	No

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4. Assets and Liabilities

(1) Significant changes in assets

Unit: RMB thousand

Item	As at the end of the Reporting Period		As at the end of last year		Changes from the end of last year to the end of the Reporting Period (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Cash at bank and on hand	22,156,858	13.99%	16,442,733	10.65%	34.75%	Mainly due to the increase in the balance of cash at bank and on hand caused by the cash received from sales and the subsidiary's receipt of capital increase from minority shareholders in the current period
Financial assets held for trading	936,611	0.59%	445,432	0.29%	110.27%	Mainly due to the increase in investment in equity instruments held for trading
Derivative financial assets	178,122	0.11%	562,027	0.36%	(68.31%)	Mainly due to changes in fair value of derivative financial instruments during the current period
Receivables financing	657,388	0.42%	1,048,244	0.68%	(37.29%)	Mainly due to the decrease in bank acceptance bills classified as receivables financing
Advances to suppliers	4,899,999	3.09%	3,447,421	2.23%	42.14%	Mainly due to the increase in operating prepayments in the current period
Other receivables	8,773,323	5.54%	4,779,626	3.10%	83.56%	Mainly due to the increase in the balance of receivables arising from financing for related parties due to the deconsolidation of CIMC Financial Leasing
Contract assets	3,769,166	2.38%	2,821,340	1.83%	33.59%	Mainly due to the increase in the balance of offshore engineering contract assets
Current portion of non-current assets	59,704	0.04%	3,707,125	2.40%	(98.39%)	Mainly due to the decrease in long-term receivables due within one year due to the deconsolidation of CIMC Financial Leasing
Long-term receivables (Note)	60,747	0.04%	7,918,001	5.13%	(99.23%)	Mainly due to the decrease in long-term receivables due to the deconsolidation of CIMC Financial Leasing
Other non-current assets	176,849	0.11%	80,652	0.05%	119.27%	Mainly due to the increase in the balance of prepayment for equipment
Derivative financial liabilities	1,181,756	0.75%	691,856	0.45%	70.81%	Mainly due to the changes in fair value of derivative financial instruments during the current period
Contract liabilities	9,745,578	6.15%	7,427,329	4.81%	31.21%	Mainly due to the increase in advances for construction during the current period
Taxes payable	1,816,910	1.15%	2,870,290	1.86%	(36.70%)	Mainly due to the decrease in corporate income tax payable during the current period
Debentures payable	1,811,041	1.14%	1,234,980	0.80%	46.65%	Mainly due to the issuance of the first tranche green medium term note (blue bond) for 2022 by the Group
Other equity instruments	2,023,335	1.28%	-	-	N/A	Mainly due to the issuance of perpetual medium term note by the Group

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Note:

- (i) As at 31 December 2021, the long-term receivables in the audited consolidated data of CIMC Group was RMB7,918,001 thousand, and the Group's money lending was mainly relating to finance lease receivables. The main operating entity of the Group's finance lease business is CIMC Financial Leasing. CIMC Financial Leasing adheres to the strategic positioning of "integration of industry and finance", focusing on the Group's core business ecosystem and consolidating the operational and financial synergies in the Group's manufacturing segment, and giving full play to financial advantages to serve the development of the real economy. Its business scope includes: finance lease business; operational leasing business; purchase of leased properties from domestic and abroad; residual value disposal and repair of leased properties; lease transaction consulting and guarantee business; other businesses approved by the competent department; domestic freight forwarding; loading, unloading and transportation; leasing of machinery and equipment; warehousing services for general goods; low-temperature storage, etc.

CIMC Financial Leasing has pledged 100% of its assets under finance leases as collateral.

In terms of customer diversity, CIMC Financial Leasing's customers are mainly business customers in the international shipping, domestic energy and chemical equipment, domestic road transportation equipment and container industry assets. In 2021, the proportion of long-term receivables from the top five customers of CIMC Financial Leasing to the total net long-term receivables was 54%, of which the largest customer, Mediterranean Shipping Company S.A, accounted for 44%, while all other customers accounted for less than 5%.

- (ii) The impairment of long-term receivables of CIMC Group in 2021 was RMB1,402,908 thousand, which was mainly relating to the impairment of long-term receivables of CIMC Financial Leasing. The reasons for the impairment of long-term receivables of CIMC Financial Leasing are as follows:

In assessing expected credit losses, CIMC Financial Leasing has used models and assumptions, with key assumptions involved including the credit profile of lessees/customers, the historical loss rate, and the period when historical loss occurred. In 2021, as the worldwide epidemic has not eased, the global economic environment was complex and severe with great uncertainties. Based on the principle of risk prudence, CIMC Financial Leasing has strengthened the management of default risks and increased the provision for impairment of long-term receivables from 7.38% as at 31 December 2020 to 10.31% as at 31 December 2021.

- (iii) CIMC Financial Leasing upholds the strategy of "quality first, strict risk control", and strengthens the risk management and control for all employees and throughout the whole process, including:

1) Under the guidance of corporate strategies, CIMC Financial Leasing maps out industry-specific policies based on business strategies formulated by the business department, through field research, customer visits and theoretical analysis, and with reference to the practice of other financial institutions in the industry, to improve the overall risk management and control capability. 2) The project manager and credit approval manager conduct due diligence on customers in accordance with the requirements of systems and guidelines. Depending on the level of authorization, the risk management committee, the rental review board or the appraisal board completes project approval and issues project reply. 3) The business department draws up contracts based on the approval, the operation service department and legal compliance department carry out contract review, verification of collaterals and pledges, file a payment application, and the finance department reviews the grant of loans and completes project launch. 4) Through post-leasing management, big data monitoring and repayment records, CIMC Financial Leasing tracks changes in credit status of customers, and takes management and collection measures by tier and category to ensure rental repayment. 5) Customers with debts overdue more than 30 days are transferred to the asset management department, which shall reduce risk exposure and control losses from bad debts through collection, enforcement and debt restructuring.

CIMC Financial Leasing reviews and audits overdue or bad debt items, determines responsibility based on the reasons for overdue items, and adjusts policies and systems and risk appetites in a timely manner.

The interest rates for financing ranged from 5% to 12% according to the financing costs, customer credits and business currencies.

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(2) Major oversea assets

Applicable Not Applicable

(3) Assets and liabilities measured at fair value

Please refer to Note XVI to “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report for details on the Group’s assets and liabilities measured at fair value during the Reporting Period.

Whether the measurement attributes of the Company’s main assets have changed significantly during the Reporting Period

Yes No

(4) Restricted asset rights as at the end of the Reporting Period

For details of the restricted asset rights of the Group as at the end of the Reporting Period, please refer to Note IV. 27 to “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

5. Investment Analysis during the Reporting Period

(1) General information

Applicable Not Applicable

Investment amount in the Reporting Period (RMB thousand)	Investment amount in the same period last year (RMB thousand)	Change
882,413	1,301,665	(32.21%)

(2) Material equity investments during the Reporting Period

Applicable Not Applicable

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(3) Material non-equity investments in progress during the Reporting Period

Applicable Not Applicable

(4) Financial asset investments

(1) Securities investments

Applicable Not Applicable

(2) Other listed company equities held

Unit: RMB thousand

Stock code	Abbreviation of stock name	Initial investment amount	Number of shares held (thousand shares)	Shareholding percentage	Book value at the end of the Period	Profit or loss during the Reporting Period	Change in equity during the Reporting Period	Classification in accounting	Source of shareholding
ASX: OEL	Otto Energy	13,480	13,521	0.36%	749	-	(126)	Other equity instruments investments	Share acquisition
HKEX: 00697	Shoucheng Holdings	182,212	209,586	2.87%	211,501	-	(54,102)	Other equity instruments investments	Share acquisition
HKEX: 206	CMIC Ocean	204,326	185,600	5.72%	37,975	-	1,669	Long-term equity investments	Share acquisition
STAR MARKET: 688315	Novogene	30,000	1,350	0.34%	34,790	(29,102)	-	Financial assets held for trading	Share acquisition
SZSE: 001213	CRSCL	161,563	40,000	0.90%	196,400	-	(46,000)	Other equity instruments investments	Share acquisition

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(3) Investment in derivatives

√ Applicable □ Not Applicable

Unit: RMB thousand

Name of derivatives investment operator	Relationship with the Group	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the Reporting Period	Purchase during the Reporting Period	Sale during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the Reporting Period	Proportion of investment amount at the end of the Reporting Period to the net assets of the Company at the end of the Reporting Period	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	-	2021/1/18	2023/5/22	29,074,512	-	-	-	27,430,854	57.96%	(798,482)
China Merchants Bank, China Citic Bank and other banks	Nil	No	Foreign exchange option contract	-	2021/10/19	2022/9/21	1,454,082	-	-	-	3,288,586	6.95%	9,419
Standard Chartered	Nil	No	Interest rate swap contract	-	2022/5/16	2027/5/20	8,609,694	-	-	-	1,677,850	3.55%	1,607
Total				-			39,138,288	-	-	-	32,397,290	68.46%	(787,456)

Source of funds for derivatives investments Self-owned funds

Litigation case (if applicable) N/A

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

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

Risk analysis and explanations on risk control measures for positions in derivatives during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operation risk and legal risk etc.) As at 30 June 2022, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, interest rate swap contracts 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 and foreign exchange option were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control measures on the derivative financial instruments were mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as for derivatives transactions, the Group formulated rigorous internal approval systems and business operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.

Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives From January to June 2022, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB(787.456) million. Fair values of the derivative financial instruments of the Group were determined based on quoted market price of external financial institutions. (Note)

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

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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 while adhering to the fundamental principle of value-preserving and prohibiting speculative practice. The Company has attached great importance and continuously enhanced the management of derivatives hedging activities as well as developed and continuously improved relevant management systems. The relevant consideration and approval procedure are 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.

Note: During the Reporting Period, the Group's gains or losses arising from changes in fair values of the derivative financial instruments was RMB(787.456) million, which were gains or losses from fair value changes in the unsettled part. In particular, the Group conducted foreign exchange derivatives investment activities, mainly foreign exchange forward contracts and foreign exchange option contracts, for the purpose of exchange rate hedging, in order to smooth or reduce the impact of uncertainty caused by changes in exchange rates on the Company's operations, which effectively hedged the fluctuations in the Group's results of operations arising from exchange rate fluctuations. During the Reporting Period, net loss of RMB495.278 million was recorded from foreign exchange related derivatives investment activities, including gains or losses from settled part and gains or losses from fair value changes in the unsettled part. Meanwhile, as significant exchange gains were recorded due to the fluctuations in the exchanges rate of US dollar during the current period, the Group recorded net exchange gain of RMB599.282 million in the financial expenses during the Reporting Period.

(5) Use of raised proceeds

Applicable Not Applicable

The Company did not use the raised proceeds during the Reporting Period.

6. Disposal of Substantial Assets and Equity Interests

(1) Disposal of substantial assets

Applicable Not Applicable

(2) Disposal of substantial equity interests

Applicable Not Applicable

Counterparty	Sold equity	Sale date	Transaction price (RMB thousand)	Net profit attributable to the Company contributed by the equity to the listed company from the beginning of the current period to the date of sale (RMB thousand)	The impact of the sale on the Company	percentage of the total net profit	Equity sale pricing principles	Related party transaction or not	Relationship with counterparty	Whether the equity involved has been fully transferred	Whether it is implemented as planned or not, if it is not implemented as planned, the reasons and the measures the Company has taken should be explained	Disclosure date	Disclosure index
Shenzhen Capital Group and Shenzhen City Energy Group	CIMC Financial Leasing Co., Ltd. and its subsidiaries	The end of May 2022	In the form of equity transfer and capital increase, please refer to the announcement CIMC 2021-103 for details	187,429	CIMC Financial Leasing Company is no longer included in the scope of consolidation of the Group	5.80%	Negotiated and determined based on the market value on the valuation base date	Yes	Significant shareholder of the Group and its subsidiaries	Yes	Yes	23 November 2021	www.cninfo.com.cn www.hkexnews.hk www.cimc.com

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7. Analysis of Principal Subsidiaries and Associates

√ Applicable Not Applicable

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

√ Applicable Not Applicable

Unit: RMB thousand

Company name	Company type	Principal activities	Registered capital	Total Assets as at the end of the Reporting Period	Net Assets as at the end of the Reporting Period	Revenues as at the Reporting Period	Operating profits as at the Reporting Period	Net profits as at the Reporting Period
Container Holding (Note 1)	Subsidiary	Mainly engaged in manufacturing and sale of containers	5,292,829	27,829,649	15,523,559	18,857,892	3,391,741	2,664,793
CIMC Vehicles (Note 2)	Subsidiary	Mainly engaged in the manufacture and sale of semi-trailer and truck bodies for specialty vehicles	2,017,600	22,375,502	12,430,477	11,195,842	453,869	370,305
CIMC Enric (Note 3)	Subsidiary	Energy, chemical and liquid food equipment business	18,521	20,878,725	8,678,510	8,948,693	617,963	453,619

Note 1: CIMC Container Holding Co., Ltd., and its financial data is taken from the management account.

Note 2: CIMC Vehicles is a listed company, and the financial data in the above table is extracted from its A-share 2022 interim report.

Note 3: CIMC Enric is a company listed on the Stock Exchange of Hong Kong, and the financial data in the above table is extracted from its 2022 interim results announcement.

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Details on obtaining and disposing of subsidiaries during the Reporting Period

Applicable Not Applicable

Company name	Method of obtaining and disposing of subsidiaries during the Reporting Period	Impact on overall production and operation and performance
CIMC Financial Leasing Co., Ltd. and its subsidiaries	Loss of control due to transfer of equity and capital increase by other investors	No significant impact

Description of major subsidiaries and associates

Please refer to "II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD" in "Chapter III REPORT OF THE BOARD" of this report for the operations of the Group's major subsidiaries and associates during the Reporting Period. Please refer to Note V to "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report for details of the subsidiaries newly included in the consolidation and those that were no longer included in the consolidation scope of the Group during the Reporting Period.

8. Structured Body Controlled by the Company

Applicable Not Applicable

9. Risks Faced by the Company and Countermeasures

For the risks faced by the Company and countermeasures, please refer to "1. Industry Analysis and Business Strategy for Main Business Segments" and "2. Major Risk Factors in the Future Development of the Group" in "III. FUTURE DEVELOPMENT AND OUTLOOK OF THE COMPANY" in "Chapter III REPORT OF THE BOARD" of this Report.

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

The following contents are the financial resource review prepared in accordance with relevant requirements of the Hong Kong Listing Rules. The following discussion and analysis shall be read together with other chapters and the 2022 Interim Financial Report (Unaudited) of the Group set out in this Report.

CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

For details of the changes in accounting policies of the Group during the Reporting Period, please refer to note II. 31 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded revenue of RMB72,126.258 million (same period in 2021: RMB73,184.549 million), representing a year-on-year decrease of 1.45%, and net profit attributable to shareholders and other equity holders of the parent company of RMB2,538.512 million (same period in 2021: RMB4,297.459 million), representing a year-on-year decrease of 40.93%. For details, please refer to relevant information set out in the chapters headed “Chapter II Summary of Accounting Data and Financial Indicators” and “II. Review of the Principal Businesses during the Reporting Period” under “Chapter III Report of the Board” in this Report.

SEGMENT INFORMATION

For details of the segment information of the Group during the Reporting Period, please refer to “II. Review of the Principal Businesses during the Reporting Period” under “Chapter III Report of the Board” and note XIV of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

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GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 15.15% (same period in 2021: 16.59%), representing a year-on-year decrease of 1.44%.

	Revenue (unaudited)	Cost of sales (unaudited)	Gross profit (unaudited)	Gross profit Margin	Changes in revenue from the same period of the previous year	Changes in cost of sales from the same period of the previous year	Changes in gross profit margin from the same period of the previous year	Percentage of total cost of sales
By industry/product								
Container manufacturing	22,767,965	17,481,885	5,286,080	23.22%	(17.06%)	(16.00%)	(0.97%)	28.57%
Road transportation vehicles	11,195,842	9,944,943	1,250,899	11.17%	(36.79%)	(37.56%)	1.10%	16.25%
Energy, chemical and liquid food equipment	9,594,446	8,048,463	1,545,983	16.11%	15.39%	14.60%	0.57%	13.15%
Offshore engineering	2,568,098	2,279,715	288,383	11.23%	(8.89%)	(16.53%)	8.12%	3.73%
Airport facilities and logistics equipment, fire safety and rescue equipment	2,588,085	2,031,240	556,845	21.52%	(8.65%)	(8.77%)	0.11%	3.32%
Logistics services	17,278,702	16,255,009	1,023,693	5.92%	74.08%	74.54%	(0.25%)	26.56%
Recycled load	3,392,834	2,776,259	616,575	18.17%	29.16%	28.41%	0.48%	4.54%
Finance and asset management	1,149,645	941,691	207,954	18.09%	9.22%	51.79%	(22.97%)	1.54%
Others	3,726,793	3,424,416	302,377	8.11%	19.79%	22.06%	(1.71%)	5.60%
Elimination between segments	(2,136,152)	(1,984,827)	(151,325)	7.08%	19.72%	(23.03%)	3.99%	(3.26%)
Total	72,126,258	61,198,794	10,927,464	15.15%	(1.45%)	0.26%	(1.44%)	100.00%
By region (by customer location)								
China	37,436,059	-	-	-	(1.58%)	-	-	-
America	12,927,797	-	-	-	2.46%	-	-	-
Europe	14,850,549	-	-	-	2.16%	-	-	-
Asia (regions excluding China)	5,992,074	-	-	-	(8.57%)	-	-	-
Others	919,779	-	-	-	(36.19%)	-	-	-
Total	72,126,258	-	-	-	(1.45%)	-	-	-

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

NON-OPERATING INCOME

During the Reporting Period, the non-operating income of the Group was RMB80.72 million (same period in 2021: RMB56.763 million), representing a year-on-year increase of 42.21%, which was mainly due to the increase in payables that were unable to be paid during the period. For details, please refer to note IV. 63 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

RESEARCH AND DEVELOPMENT EXPENSES

During the Reporting Period, the research and development expenses of the Group were RMB1,043.695 million (same period in 2021: RMB935.346 million), representing a year-on-year increase of 11.58%, which was mainly due to the increase in technology research and development investment during the period. For details, please refer to note IV. 54 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

SALES EXPENSES

During the Reporting Period, the sales expenses of the Group were RMB1,181.249 million (same period in 2021: RMB1,074.778 million), representing a year-on-year increase of 9.91%, which was mainly due to the increase in cost of sales staff and commission of external sales during the period. For details, please refer to note IV. 52 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

FINANCIAL EXPENSES

During the Reporting Period, the financial expenses of the Group were RMB(115.513) million (same period in 2021: RMB826.403 million), representing a year-on-year decrease of 113.98%, which was mainly due to a year-on-year decrease in interest expenses and significant exchange gains arising from exchange rate fluctuation of US dollars during the period as compared with exchange losses during the same period last year. The Group recorded net exchange gains of RMB599.282 million (January to June 2021: net exchange losses of RMB148.038 million) during the Reporting Period. For details, please refer to note IV. 55 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

GENERAL AND ADMINISTRATIVE EXPENSES

During the Reporting Period, the general and administrative expenses of the Group were RMB3,385.359 million (same period in 2021: RMB2,811.454 million), representing a year-on-year increase of 20.41%, which was mainly due to the increase in labour costs during the period. For details, please refer to note IV. 53 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

INCOME TAX EXPENSES

During the Reporting Period, the income tax expenses of the Group were RMB1,264.012 million (same period in 2021: RMB1,813.717 million), representing a year-on-year decrease of 30.31%, which was mainly due to the decrease in profit before tax during the period. For details, please refer to note IV. 65 of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

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MINORITY PROFIT OR LOSS

During the Reporting Period, the minority profit or loss of the Group was RMB695.576 million (same period in 2021: RMB748.037 million), representing a year-on-year decrease of 7.01%, mainly due to the decrease in profit or loss attributable to minority shareholders calculated based on the shareholding proportion of minority shareholders.

LIQUIDITY AND CAPITAL SOURCE

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2022, the Group's cash at bank and on hand amounted to RMB22,156.858 million (31 December 2021: RMB16,442.733 million), representing an increase of 34.75% as compared with the end of the previous year, which was mainly due to the increase in balance of cash at bank and on hand as a result of receipt of cash from sales and receipt of contribution in cash by subsidiaries from minority shareholders during the period. For details, please refer to note IV. 1 of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report. The Group's funds mainly consist of funds from operations, bank loans and other borrowings. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the due bank loans and ensure the business development.

During the Reporting Period, the Group recorded net cash flows from operating activities of RMB3,635.390 million (same period in 2021: RMB6,261.059 million), net cash flows from investing activities of RMB(1,876.542) million (same period in 2021: RMB(2,010.629) million) and net cash flows from financing activities of RMB3,573.706 million (same period in 2021: RMB(3,202.638) million). As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB22,327.791 million (same period in 2021: RMB12,437.334 million) and the main currencies were RMB and US dollar.

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BANK LOANS AND OTHER BORROWINGS

As at 30 June 2022, the Group's short-term borrowings, non-current borrowings due within one year, debentures payable due within one year, long-term borrowings and debentures payable in aggregate amounted to RMB39,673.142 million (31 December 2021: RMB42,015.690 million).

Unit: RMB thousand

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
Short-term borrowings	7,853,887	7,204,671
Non-current borrowings due within one year	5,977,822	5,834,823
Debentures payable due within one year	4,104,811	6,089,486
Long-term borrowings	19,925,581	21,651,730
Debentures payable	1,811,041	1,234,980
Total	39,673,142	42,015,690

The Group's bank borrowings are mainly denominated in US dollars, with the interest payments computed using fixed rates and floating rates. As at 30 June 2022, the Group's long-term interest-bearing debts were mainly RMB-denominated floating rate contracts amounting to RMB15,696.747 million (31 December 2021: RMB14,978.04 million). The interest rate range of the Group's short-term borrowings is 0.05% to 4.55% (31 December 2021: 0.05% to 4.90%), and the interest rate range of long-term borrowings is 1.19% to 4.90% (31 December 2021: 1.19% to 5.25%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB6,505.698 million (31 December 2021: approximately RMB8,998.064 million). The long-term borrowings are mainly matured within five years. There is no seasonal feature in respect of the Group's need for borrowing, which is mainly based on the Group's capital and business needs.

The Group's issued debentures are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 30 June 2022, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB5,915.852 million (31 December 2021: RMB7,324.466 million), with maturity dates mainly spreading over one to five years. For details, please refer to notes IV. 28, IV. 37, IV. 39, IV. 40 and XV. 1. (2) of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

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OTHER EQUITY INSTRUMENTS

During the Reporting Period, other equity instruments of the Group were mainly medium-term notes. For details, please refer to note IV. 45 of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

CAPITAL STRUCTURE

The Group's capital structure consists of equity interest attributable to shareholders and liabilities. As at 30 June 2022, the Group's equity interest attributable to shareholders amounted to RMB60,679.383 million (31 December 2021: RMB56,980.09 million) in aggregate, total liabilities amounted to RMB97,671.246 million (31 December 2021: RMB97,342.411 million) and total assets amounted to RMB158,350.629 million (31 December 2021: RMB154,322.501 million). The Group is committed to maintaining an appropriate combination of equity and debt in order to maintain an effective capital structure and provide maximum returns for shareholders of the Company.

As at the end of the Reporting Period, the Group's gearing ratio was 62% (31 December 2021: 63%), representing a decrease of 1% as compared with the end of the previous year, which was mainly due to the derecognition of CIMC Financial Leasing Company, issue of perpetual debt and receipt of contribution from strategic investors introduced by subsidiaries (Calculation of the gearing ratio: based on the Group's total liabilities divided by our total assets as at the end of the Reporting Period).

FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The major currency of the Group's business revenue is US dollars, while most of its expenditure is made in RMB. Currently, the Chinese government adopts a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies, and RMB is still subject to control under the capital account. As the exchange rates of RMB are affected by domestic and international economic and political situations as well as the demand and supply of RMB, the exchange rates of RMB against other currencies may be different from the current rates in the future, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group's operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk. For details of the foreign exchange hedging contracts held by the Group during the Reporting Period, please refer to notes IV. 3 and 43 and XV. 1. (1) of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

INTEREST RATE RISK

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 30 June 2022, the Group held two unsettled interest rate swap contracts denominated in U.S. dollars, the nominal value of which amounted to a total of USD250,000,000. Their fair value of RMB6,151,000 was accounted as liabilities, all of which were included in current liabilities. These contracts will expire on 20 May 2027. For details, please refer to notes IV. 3 and XV. 1. (2) of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

MARKET RISKS

For details of the Group's market risks, please refer to "2. Major Risk Factors in the Future Development of the Group" of "III. Future Development and Outlook of the Company" under "Chapter III Report of the Board" in this Report.

CREDIT RISK

The Group's exposures to credit risk are mainly attributable to cash at bank and on hand, notes receivables, accounts receivable and derivative financial instruments for the purpose of hedging. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group as set out in note X. 1 of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this report, the Group has not provided any other guarantees that may expose the Group to credit risk. Management will monitor these credit risk exposures on an ongoing basis. For details, please refer to note XV. 2 of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

PLEDGE OF ASSETS

As at 30 June 2022, the restricted assets of the Group totally amounted to RMB1,332.999 million (31 December 2021: RMB5,633.991 million), representing a decrease of 76.34% as compared with the end of the previous year, which was mainly due to the decrease in restricted long-term receivables as a result of the derecognition of CIMC Financial Leasing Company. For details, please refer to note IV. 27 of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

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CAPITAL COMMITMENTS

As at 30 June 2022, the Group had capital expenditure commitments of approximately RMB7,543.605 million (31 December 2021: approximately RMB7,197.686 million), representing an increase of 4.81% as compared with the end of the previous year, which was mainly used for external investment contracts and construction of vessels for sale or lease. For details, please refer to note XI. 1. (1) of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

CONTINGENT LIABILITY

For details of the Group’s contingent liabilities, please refer to note X of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

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

1. During the Reporting Period, no significant investment accounted for 5% or more of the total assets of the Company as at the balance sheet date.
2. During the Reporting Period, there were no material acquisitions and disposals relating to subsidiaries, associated companies and joint ventures except for the followings. For details, please refer to note V and note VI of “Chapter XI 2022 Interim Financial Report (Unaudited)” in this Report.

On 23 November 2021, Shenzhen Capital Group, Shenzhen City Energy Group Co., Ltd.* (深圳市能源集團有限公司) (“Shenzhen City Energy Group”) and Tianjin Kairuikang Enterprise Management Consulting Partnership (Limited Partnership)* (天津凱瑞康企業管理諮詢合夥企業(有限合夥)) (“Tianjin Kairuikang”) intended to acquire shares in CIMC Financial Leasing Company through transfer of original shares and capital increase as strategic investors. Upon completion of the transaction, the registered capital of CIMC Financial Leasing Company will be increased from RMB1,428,652,000.00 to RMB1,481,376,856.83, which will be owned as to 53.3185% collectively by Shenzhen Capital Group and Shenzhen City Energy Group and 1.2497% by Tianjin Kairuikang, and the proportion of equity interest collectively held by the Company and CIMC HK in CIMC Financial Leasing Company will be decreased to 45.4318%, which constitutes

disposal and deemed disposal under the Chapter 14 of the Hong Kong Listing Rules. The equity transfer and change in industrial and commercial registration were completed in May 2022. CIMC Financial Leasing Company was no longer consolidated into the consolidated statements of the Group and became an associate of the Group. For details, please refer to “2. Review of Operations of Major Business Segments” of “II. Review of the Principal Businesses during the Reporting Period” of “Chapter III Report of the Board”, and “(VI) Disposal of Substantial Assets and Equity Interests” of “II. Operation Discussion and Analysis” of “Chapter IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules” in this Report.

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

For the investment plan of the principal businesses of the Group in the second half of the year, please refer to “1. Industrial Analysis and Corporate Operating Strategy of Major Business Segments” of “III. Future Development and Outlook of the Company” under “Chapter III Report of the Board” in this Report. The operating and capital expenditures of the Group are mainly financed by our self-owned fund and external financing. Concurrently, the Group will take a prudent attitude in order to enhance its future operating cash flow. According to the changes in economic situation and operating environment, as well as the needs of the Group’s strategic upgrade and business development, the actual capital expenditure of the Group in the first half of the year amounted to approximately RMB2.92 billion, and it is expected to incur capital expenditure of approximately RMB7.45 billion in the second half of the year. The capital expenditure is mainly used in the acquisition of equities and fixed assets, intangible assets and other long-term assets, etc. The Group will continue to consider various types of financing arrangements.

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

(1) Overall Use of Proceeds from A Shares of CIMC Vehicles

Basic Information on Proceeds from A Shares of CIMC Vehicles

In order to fully explore and utilize the financing channels of the A share capital market, on 6 May 2020, the board of directors of CIMC Vehicles reviewed and approved the proposal on the proposed initial public offering of A shares and the proposed listing on the ChiNext Market of the Shenzhen Stock Exchange. The application for registration of CIMC Vehicles's IPO was approved in accordance with the Reply in Relation to Approval for Registration of Shares in Initial Public Offering of CIMC Vehicles (Group) Co., Ltd. (Zheng Jian Xu Ke [2021] No. 1719) issued by the China Securities Regulatory Commission on 18 May 2021. With the consent of the Shenzhen Stock Exchange, CIMC Vehicles issued 252.6 million RMB ordinary shares (A shares) with a par value of RMB1.00 each and the total proceeds of RMB1,758.0960 million, at an issue price of RMB6.96 per share, in the IPO. After deducting the issue expenses (including underwriting and sponsorship fees and other issuance expenses exclusive of VAT) of RMB174.3192 million, the net proceeds from A share offering were RMB1,583.7768 million, and the net issue price was approximately RMB6.27 per A share. The A share offering was conducted through a combination of targeted placement to strategic investors, placement to qualified investors through offline price consultation process and subscription by public investors at a price fixed according to market value. The above proceeds were received on 5 July 2021, in respect of which PricewaterhouseCoopers Zhong Tian LLP verified the payment and issued the Capital Verification Report (PwC Zhong Tian Yan Zi (2021) No. 0668). CIMC Vehicles was listed on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021 when the closing price of A shares was RMB15.49 on the Shenzhen Stock Exchange and HK\$7.13 on the Hong Kong Stock Exchange.

As at 30 June 2022, the proceeds from A shares used by CIMC Vehicles for the first half of the year were RMB95.8934 million and the total proceeds from A shares used were RMB663.2605 million, and the unutilized proceeds from A shares were RMB942.9138 million (including net interest income of proceeds from A shares exclusive of bank charges and account management fees).

Management of Proceeds by CIMC Vehicles

In order to standardize the management and use of the proceeds, CIMC Vehicles has formulated the Management System for Proceeds of CIMC Vehicles (Group) Co., Ltd., based on the actual situation. According to the system, the proceeds were deposited in a special account by CIMC Vehicles. On 4 August 2021, CIMC Vehicles signed the Agreement for Tripartite Supervision of Proceeds and the Agreement for Quadripartite Supervision of Proceeds with the sponsor Haitong Securities Co., Ltd., China Merchants Bank Co., Ltd., Shekou Branch, Shenzhen, and Industrial and Commercial Bank of China Limited, Shekou Branch, Shenzhen. There were no significant differences between such agreements and the model tripartite supervision agreement, and CIMC Vehicles strictly complied with the agreements in the use of the proceeds.

Unit: RMB'0,000

Total Proceeds	158,377.68
Total Utilized Proceeds During the Reporting Period	9,589.34
Total Utilized Proceeds	66,326.05
Total Proceeds with Changed Use During the Reporting Period	0.00
Total Proceeds with Changed Use	0.00
Proportion of Total Proceeds with Changed Use	0.00

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Overall Use of Proceeds

As at 30 June 2022, the proceeds from A shares used by CIMC Vehicles for the first half of the year were RMB95.8934 million, and the total proceeds from A shares used were RMB663.2605 million, and the unutilized proceeds from A shares were RMB942.9138 million (including net interest income of proceeds from A shares after deducting bank charges and account management fees).

(2) Committed Projects Funded by Proceeds from A Shares of CIMC Vehicles

Unit: RMB'0,000

Committed Investment Project and Investment of Surplus Proceeds	Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment (1)	Investment for the Reporting Period	Accumulated Investment as at the end of the Period (2)	Investment Progress as at the End of the Period (3)=(2)/(1)	Date on Which the Project is Ready for its Intended Use	Benefits for the Reporting Period	Total Benefits as at the end of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
Committed Investment Projects											
Digital Transformation, Research and Development Project	No	43,877.68	43,877.68	837.53	3,040.62	7%	July 2026	N/A	N/A	N/A	No
Project for Lighthouse Factory Upgrade and Construction	No	79,500.00	79,500.00	8,751.81	38,285.43	48%	January 2023	N/A	N/A	N/A	No
New Marketing and Construction Project	No	10,000.00	10,000.00	0.00	0.00	0%	July 2024	N/A	N/A	N/A	No
Repayment of bank loans and replenishment of working capital	No	25,000.00	25,000.00	0.00	25,000.00	100%	N/A	N/A	N/A	N/A	No
Sub-total of committed investment projects	-	158,377.68	158,377.68	9,589.34	66,326.05	-	-	-	-	-	-
Investment of Surplus Proceeds											
No surplus proceeds	-	-	-	-	-	-	-	-	-	-	-
Total	-	158,377.68	158,377.68	9,589.34	66,326.05	-	-	N/A	N/A	-	-

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Information on and reasons for the failure to get ready for the intended use or achieve expected benefits (by project)	<p>As of 30 June 2022, the upgrade and technical renovation project for coating lines, a subproject of the project for lighthouse factory upgrade and construction, has not made the progress as planned. The main reason is that CIMC Vehicles has successively built coating production lines for different products in the past three years. According to the current industrial development trends at home and abroad, this upgrade and technical renovation project for coating lines will be oriented to the third-generation coating technology and accommodate new changes and trends of improvement in product technology. In order to make the implementation of this project more conforming to the requirements of "high-end manufacturing system", during the upgrade and technical transformation of the existing coating lines, further overall planning and repeated experiments will be carried out on the new generation of technology and process flow, which are still in the process of technical demonstrations and integration. Meanwhile, the progress of related technical demonstrations and experiments has been greatly affected by the epidemic outbreak, resulting in a failure of the project as a whole to make the progress as planned. Based on the status quo of the macro environment and CIMC Vehicles's actual situation of its upgrade of "high-end manufacturing system", CIMC Vehicles is conducting a systematic analysis and demonstration of this project, and will perform corresponding review and disclosure procedures as soon as possible upon completion of the demonstration according to the listing compliance requirements.</p>
Description of significant changes in the project feasibility	N/A
Amount, use and progress in the use of surplus proceeds	N/A
Change of location of the proceeds-funded project	<p>N/A</p> <p>There is no change in the location of the proceeds-funded project by CIMC Vehicles.</p>
Adjustments to the implementation method of the proceeds- funded project	<p>N/A</p> <p>There is no change in the implementation method of the proceeds-funded project by CIMC Vehicles.</p>
Preliminary investment and replacement in the proceeds- funded project	<p>Applicable</p> <p>On 25 August 2021, CIMC Vehicles held the 10th meeting of the first session of the Board for 2021 and the 4th meeting of the first session of the Supervisory Committee for 2021, which considered and approved the Resolution on Replacement by Proceeds from A Shares of Self-raised Funds Invested in the Proceeds-funded Projects and Used to Cover the Issue Expenses in Advance, authorizing CIMC Vehicles to replace the self-raised funds totaling RMB326.2496 million invested in the proceeds-funded projects and used to cover the issue expenses in advance, with the proceeds. The issue expenses of RMB41.4293 million (exclusive of value-added tax) were paid by CIMC Vehicles out of the self-raised funds in advance, while RMB284.8203 million of the self-raised funds was invested in the A share proceeds-funded projects in advance.</p>

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Use of unutilized proceeds for temporary replenishment of working capital	N/A There is no unutilized proceeds used for temporary replenishment of working capital by CIMC Vehicles.
The amount of and reasons for the balance of the proceeds after the implementation of the project	N/A As of 30 June 2022, the proceeds raised by CIMC Vehicles are still in the progress of investing, and therefore the utilisation of remaining proceeds is not available.
Proposed use and investment of unutilized proceeds	As of 30 June 2022, the unused proceeds of CIMC Vehicles were deposited in the special account for proceeds in the form of demand deposits, with a balance of RMB942.9138 million (including net interest income of the proceeds after deducting bank fees and account management fees).
Problems or other matters in the use and disclosure of the proceeds	On 25 August 2021, CIMC Vehicles held the tenth meeting of the first board of directors in 2021 and the fourth meeting of the first board of supervisors in 2021, and reviewed and approved the Proposal on Using Part of the Idle Proceeds from A Shares for Cash Management, it is agreed to use the idle proceeds with the principal amount of not more than RMB1,150.0000 million (inclusive) for cash management. The period of use is 12 months from the date when the proposal is considered and approved by the board of directors of CIMC Vehicles. Within the above quota and period of use, the funds can be used on a rolling basis. The independent directors expressed their consents and performed the necessary procedures. As of 30 June 2022, the balance of CIMC Vehicles's agreed deposit account was RMB846.9950 million, which did not exceed the deliberation limit and validity period of the board of directors and the board of supervisors of CIMC Vehicles regarding the use of some of the idle proceeds from A shares for cash management.

(3) Change of Use of Proceeds from A Shares of CIMC Vehicles

The use of the proceeds was not changed by CIMC Vehicles during the Reporting Period.

(4) Use of Proceeds from H Shares of CIMC Vehicles

Since the listing date of H shares of CIMC Vehicles, H shares of CIMC Vehicles have been listed and traded on the main board of the Hong Kong Stock Exchange. A total of 265,000,000 H shares were issued by CIMC Vehicles in the global offering. Net proceeds from H shares, net of underwriting fees and the expenses relating to the global offering were approximately HK\$1,591.3 million. The nominal value of the H shares of CIMC Vehicles was RMB1.00 per H share.

On 5 December 2019, 25 March 2020, 12 October 2020, and 20 November 2020, CIMC Vehicles announced the changes in the use of the net proceeds from H shares. CIMC Vehicles intended to further change the use of proceeds from H shares on 25 August 2021, and the proposed change was approved at the first extraordinary general meeting of CIMC Vehicles for 2021 on 29 September 2021. For relevant information, please refer to CIMC Vehicles's related announcements issued on the same dates, respectively.

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On 1 January 2022, the net proceeds from H shares carried forward by CIMC Vehicles from the previous year was approximately HK\$432.8 million. The use of the net proceeds from H shares and the utilization as of 30 June 2022, which are intended to be utilized in the next five years from the listing date of our H shares, are as follows:

Intended Use of Net Proceeds	Original Intended Amount (HK\$ in millions)	Utilized Amount as of 30 June 2022 (HK\$ in millions)	Utilized Amount during the Reporting Period (HK\$ in millions)	Unutilized Amount as of 30 June 2022 (HK\$ in millions)
Develop new manufacturing or assembly plants	1,248.2	1,049.4	224.0	198.8
- Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	38.8	38.8	-	-
- Develop a new assembly plant for high-end refrigerated semi-trailers in the UK or Poland	32.1	15.8	1.1	16.3
- Develop a new automated production facility for refrigerated semi-trailers in Monon, the US	163.0	159.4	-	3.6
- Develop a new assembly plant for swap bodies and chassis and flatbed trailers in the Netherlands	105.2	102.3	-	2.9
- Develop a new assembly plant for refrigerated semi-trailers in Canada	20.2	20.2	-	-
- Develop a new manufacturing plant in Jiangmen, China	87.0	79.2	-	7.8
- Technological reform and informatization construction of plants in Xi'an, China	32.7	2.7	2.7	30
- Develop a new manufacturing plant in Baoji City, China	70.0	69.6	30.4	0.4
- Construct a vehicle park in Kunming, China	78.4	78.4	3.6	-
- Expand the manufacturing plant for semi-trailers in Dongguan, China	114.8	101.1	7.9	13.7
- Expand the manufacturing plant for dry truck bodies and refrigerated truck bodies in Zhenjiang, China	34.4	11.4	1.3	23
- Expand the manufacturing and assembly plant for chassis trailers in Rayong, Thailand	193.5	193.5	-	-
- Increase the registered capital and production capacity of subsidiaries in the UK	278.1	177.0	177.0	101.1
Research and develop new products	66.5	64.6	8.1	1.9
- Invest in industry funds	34.4	34.4	-	-
- Develop high-end refrigerated semi-trailers	26.3	24.4	8.1	1.9
- Develop other trailer products	5.8	5.8	-	-
Repay the principal amount and interests of bank borrowings	153.8	153.8	-	-
Working capital and general corporate purposes	151.5	151.5	-	-
Total	1,620.0	1,419.3	232.1	200.7

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EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2022, the Group's total number of employees worldwide, including contract employees, employed retirees and part-time employees and others, was 69,520, and the Group had 50,385 contract employees across the globe. In particular, 4,476 were outside Mainland China (including Hong Kong, Macau and Taiwan) (31 December 2021: 51,746 contracted employees in total worldwide and 5,163 employees outside Mainland China (including Hong Kong, Macau and Taiwan)). The total staff cost during the Reporting Period, including directors' remuneration, contribution to the retirement benefit schemes and share option incentive schemes, amounted to approximately RMB5,929.354 million (same period in 2021: approximately RMB5,852.611 million).

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

EMPLOYEE TRAINING PROGRAMME

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

EMPLOYEE PENSION SCHEME

The Group has provided employees with basic pension insurance arranged by local human resources and social security bureaus. The Group makes contributions to the pension insurance at the applicable rates monthly based on the amounts stipulated by the government organization. When employees retire, the local human resources and social security bureaus are responsible for the payment of the basic pension benefits to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognised as liabilities during the accounting periods when the employees render services and are charged to profit or loss or capitalized in costs of related assets. For details, please refer to note IV. 56 of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

DIVIDEND DISTRIBUTION

The Company will not distribute any interim cash dividend, issue bonus shares or convert shares from reserves into share capital for the six months ended 30 June 2022 (same period in 2021: Nil).

EVENTS AFTER THE BALANCE SHEET DATE

For details about the events after the balance sheet date of the Reporting Period, please refer to "XV. Significant Events after the Reporting Period" of "Chapter VIII Significant Events" in this Report.

DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

In accordance with paragraph 40 of Appendix 16 of the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2021 Annual Report of the Company.

Chapter VI Corporate Governance

I. COMPANY GOVERNANCE AND CORPORATE GOVERNANCE

1. Company Governance

During the Reporting Period, the Group continued to optimize its corporate management and maintained standardised operations in strict compliance with the PRC laws and regulations as well as regulatory documents of the CSRC, CSRC Shenzhen, Shenzhen Stock Exchange, the Hong Kong Securities and Futures Commission and the Hong Kong Stock Exchange while continuously advancing the construction of its risk control system, evaluating effectiveness of its risk control system, promoting its digital risk control achievements across its key businesses, and strengthening its efforts in preventing and controlling significant risks.

During the Reporting Period, in order to establish a scientific, standardized, pragmatic and effective risk control system, the Group launched a pilot project which focused on dealing with external regulatory requirements and key operational risks, with its systematic design carried out to have risk control strategy and culture, corporate governance, significant risk identification and response, risk assessment and accountability taken into account, aiming to establish a pragmatic, effective and business-oriented risk control system with CIMC's characteristics. The project focused on the "Three Highs and One Big (High Risk, High Value, High Frequency and Big Data)" areas and aimed to advance and promote digital risk control, realise front-end management of significant risks, and accelerate the transformation and upgrading of its risk control efforts. The Group continued to promote its significant risk management achievements across the Group by addressing the strategic and business pain points and further optimized its accountability system through introduction of the "Accountability Measures for Liability Incidents (2.0)" as a systematic foundation for its risk control efforts. The Group continued to develop risk control guidelines and risk control promotion and training materials by releasing a collection of vivid and interesting risk control information from home and abroad, and provide online trainings to core personnel and business backbones while encouraging them to take certificate examinations. In the second half of the year, the Group will further its efforts to promote the achievements of the pilot risk control system, especially those in digital risk control and significant risk management, aiming to ensure overall compliance of the Group.

Chapter VI Corporate Governance

2. Corporate Governance and Relevant Information

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

The Board of the Company is committed to raising the standard of corporate governance of the Group and believes that good corporate governance helps the Group to safeguard the interests of the Shareholders and improve its business performance. The Company has complied with the code provisions set out in Part 2 of Appendix 14 of the Hong Kong Listing Rules (including the new code provisions in relation to internal control and risk management) during the Reporting Period, except for the deviation from the code provision C.5.1 and code provision C.2.1. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

(1) *The Board*

The Board of the Company is elected by the general meeting of the Company through voting and is held accountable to the general meeting. The primary responsibilities of the Board are to provide strategic guidance to the Company, exercise effective supervision over the senior management, ensure that the Company's interests are protected and are accountable to the Shareholders. During the Reporting Period, the term of office of the ninth session of the Board of the Company expired. On 28 June 2022, as considered and approved at the 2021 annual general meeting, members of the tenth session of the Board of the Company were elected and Mr. MAI Boliang has been appointed as an executive Director of the tenth session of the Board of the Company, Mr. ZHU Zhiqiang, Mr. HU Xianfu, Mr. KONG Guoliang, Mr. DENG Weidong and Mr. MING Dong have been appointed as non-executive Directors of the tenth session of the Board of the Company, and Mr. YANG Xiong, Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel have been appointed as independent non-executive Directors of the tenth session of the Board of the Company. On the same day, as considered at the first meeting in 2022 of the tenth session of the Board, Mr. MAI Boliang, an executive Director, has been elected as the chairman of the tenth session of the Board of the Company; Mr. ZHU Zhiqiang, a non-executive Director, has been elected as the vice-chairman of the tenth session of the Board of the Company; and Mr. HU Xianfu, a non-executive Director, has been elected as the vice-chairman of the tenth session of the Board of the Company.

During the Reporting Period, the Board, comprising 9 Directors, held 14 Board meetings, of which 1 meeting was held on site, 13 meetings were held in a way of written review resolutions with 41 resolutions being reviewed. On 4 July 2022, Mr. MING Dong has tendered his resignation from the position of director of the Company due to job assignments. As at 29 August 2022, the Board has 8 Directors.

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

(2) *Board Committees*

During the Reporting Period, the committees of the Board of the Company also successfully completed its general election. During the Reporting Period, a total of 19 meetings were held by the committees of the Board with 27 letters of opinion from Board committees passed.

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(3) *Supervisory Committee*

During the Reporting Period, the term of office of the ninth session of the Supervisory Committee of the Company expired. On 28 June 2022, as considered and approved at the 2021 annual general meeting, Ms. SHI Lan and Mr. LOU Dongyang have been appointed as supervisors representing shareholders of tenth session of the Supervisory Committee of the Company. On the same day, as considered and approved at the general staff meeting of the Company, Mr. MA Tianfei has been elected as a supervisor representing employees of tenth session of the Supervisory Committee. On 28 June 2022, as considered at the first meeting in 2022 of the tenth session of the Supervisory Committee, Ms. SHI Lan has been elected as the chairman of the Supervisory Committee.

During the Reporting Period, the Supervisory Committee, comprising 3 Supervisors, held 4 meetings with 10 resolutions reviewed. The Supervisors attended 14 meetings of the Board.

(4) *Shareholders' General Meeting*

On 28 June 2022, the Company held the 2021 annual general meeting, first class meeting of the holders of A shares for 2022 and the first class meeting of the holders of H shares for 2022. The notice, convening, holding and voting procedures of such meetings were in compliance with the relevant requirements of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules.

The executive Director of the Company Mr. MAI Boliang (Chairman and CEO), the non-executive Director Mr. KONG Guoliang, the non-executive Director Mr. DENG Weidong (by network), the independent non-executive Director Mr. HE Jiale (by network), the independent non-executive Director Ms. LUI FUNG Mei Yee, Mabel (by network), the Supervisor Mr. XIONG Bo and the Supervisor Mr. LOU Dongyang (by network) attended the 2021 annual general meeting, the first class meeting of the holders of A shares for 2022 and the first class meeting of the holders of H shares for 2022, and other Directors failed to attend relevant meetings due to other important affairs at relevant time.

(5) *Updates regarding Deviations from Code Provisions as set out in the 2021 Annual Report of the Group*

Code provision C.5.1 under the Corporate Governance Code requires that "The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present". During the Reporting Period, the Company held 14 Board meetings, of which only one meeting was held on-site. The executive Directors manage and monitor the business operation and propose to hold board meetings to have discussions and make decisions on the Group's major business or management matters from time to time. Accordingly, certain relevant decisions were made by all Directors by way of written resolutions. The Directors are of the opinion that, the fairness and validity of the decisions made for the business had adequate assurance. The Company will strive to put effective corporate governance practices into practice in future.

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

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

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

(3) Audit Committee

The Board has appointed three independent non-executive Directors and established the Audit Committee pursuant to the requirements of the Hong Kong Listing Rules. The members of the ninth session of the Audit Committee of the Company consist of Mr. HE Jiale (chairman of the Audit Committee with professional qualifications and experience in relation to financial management such as accounting), Mr. PAN Zhengqi and Ms. LUI FUNG Mei Yee, Mabel. During the Reporting Period, the term of office of the ninth session of the Audit Committee of the Company expired, and the Company held the first meeting of the tenth session of the Board in 2022 on 28 June 2022, at which the Audit Committee of the tenth session of the Board was elected. The members of the tenth session of the Audit Committee consist of Mr. YANG Xiong (Chairman of the Audit Committee with professional qualifications and experience in relation to financial management such as accounting), Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel.

On 29 August 2022, the Audit Committee has discussed with the management and reviewed the 2022 Interim Financial Report (Unaudited) of the Group for the six months ended 30 June 2022. The Audit Committee has no disagreement with the accounting treatment adopted in the 2022 Interim Financial Report (Unaudited) of the Company and agreed to present the same to the Board.

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

For the changes in information of Directors, Supervisors and chief executive officer of the Company to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the Reporting Period, please refer to “3. Changes in Information of Directors and Supervisors” under “III. Changes of Directors, Supervisors and Senior Management of the Company During the Reporting Period” of “Chapter VI Corporate Governance” in this Report. Except for such disclosure, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

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

1. General Meetings Convened during the Reporting Period

Session of meeting	Type of meeting	Proportion of investors' participation	Date	Notice date	Disclosure date	Disclosure platform
The annual general meeting for 2021	Annual general meeting	60.1254%	28 June 2022	27 May 2022	28 June 2022	www.cninfo.com.cn www.hkexnews.hk
The first class meeting of the holders of A Shares for 2022	Class meeting	31.8001%	28 June 2022	27 May 2022	28 June 2022	www.cimc.com
The first class meeting of the holders of H Shares for 2022	Class meeting	81.2348%	28 June 2022	27 May 2022	28 June 2022	

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

Applicable Not Applicable

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

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

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

Name	Position	Type	Date	Reason
MAI Boliang	Chairman, executive Director	Elected	28 June 2022	Election upon expiration of term of office
ZHU Zhiqiang	Vice-chairman, non-executive Director	Elected	28 June 2022	Election upon expiration of term of office
HU Xianfu	Vice-chairman, non-executive Director	Elected	28 June 2022	Election upon expiration of term of office
KONG Guoliang	Non-executive Director	Elected	28 June 2022	Election upon expiration of term of office
MING Dong	Non-executive Director	Elected	28 June 2022	Election upon expiration of term of office
DENG Weidong	Non-executive Director	Elected	28 June 2022	Election upon expiration of term of office
HE Jiale	Independent non-executive Director	Retired upon expiration of term of office	28 June 2022	Retirement upon expiration of term of office
PAN Zhengqi	Independent non-executive Director	Retired upon expiration of term of office	28 June 2022	Retirement upon expiration of term of office
LUI FUNG Mei Yee, Mabel	Independent non-executive Director	Elected	28 June 2022	Election upon expiration of term of office
YANG Xiong	Independent non-executive Director	Elected	28 June 2022	Election
ZHANG Guanghua	Independent non-executive Director	Elected	28 June 2022	Election
SHI Lan	Chairman of the Supervisory Committee	Elected	28 June 2022	Election upon expiration of term of office
LOU Dongyang	Supervisor	Elected	28 June 2022	Election upon expiration of term of office
XIONG Bo	Supervisor	Retired upon expiration of term of office	28 June 2022	Retirement upon expiration of term of office
MA Tianfei	Supervisor	Elected	28 June 2022	Election
MAI Boliang	CEO	Appointed	28 March 2022	Re-appointment upon expiration of term of office
LI Yinhui	Vice president	Appointed	28 March 2022	Re-appointment upon expiration of term of office

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

After the Reporting Period and up to the disclosure date of this Report, Mr. MING Dong resigned as a director of the Company on 4 July 2022 due to changes in job assignments. Mr. MING Dong will not take any position in the Company upon his resignation of the aforesaid position.

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

As at 30 June 2022, the interests or short positions held by the Directors, Supervisors and chief executives of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) pursuant to Part XV of the SFO which are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or Supervisors of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the Hong Kong Stock Exchange in accordance with the Model Code contained in Appendix 10 of the Hong Kong Listing Rules, were as follows:

(1) Interest in the Shares of the Company:

Name	Nature of interest	Type of the shares	Number of shares (shares)
MAI Boliang	Beneficial interest	A Shares	593,643

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

For details of the interests in the underlying shares of the Company held by any Director, Supervisor and chief executive of the Company as at 30 June 2022, please refer to "V. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures During the Reporting Period" of "Chapter VI Corporate Governance" in this Report.

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

Name	Name of associated corporation	Nature of interest	Number of securities (shares)
MAI Boliang	CIMC Enric	Beneficial interest	7,260,000 (ordinary shares)

Save as disclosed above, as at 30 June 2022, to the best knowledge of Directors of the Company, no Directors, Supervisors or chief executives of the Company held interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which are taken or deemed to have under such provisions of the SFO, or which are recorded in the register kept under Section 352 of the SFO, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange in accordance with the Model Code contained in Appendix 10 of the Hong Kong Listing Rules.

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3. Changes in Information of Directors and Supervisors

During the Reporting Period, the Board of Directors and the Supervisory Committee of the Company completed its general election. For details of the personal information of our Directors and Supervisors, please refer to the 2021 Annual Report and the announcements and/or circular disclosed on the website of the Company (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 28 March 2022, 20 May 2022 and 28 June 2022.

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

Applicable Not Applicable

The Company proposed not to distribute cash dividend, issue bonus shares or increase share capital by way of transfer from capital reserves for the six months ended 30 June 2022 (same period in 2021: Nil).

Implementation of Profit Distribution of the Company during the Reporting Period

During the Reporting Period, the proposed profit distribution plan for 2021 was passed at the annual general meeting for 2021, the first class meeting of the holders of A Shares and the first class meeting of the holders of H Shares for 2022 held on 28 June 2022 in accordance with the relevant requirements of the Articles of Association: based on the total share capital of the Company as at the book closure date of dividend distribution for 2021, the Company will pay a cash dividend of RMB0.69 (inclusive of tax) for every share, and the total dividend in cash is expected to be RMB2,480.559 million; no bonus shares will be issued and additional 5 new shares will be issued to all Shareholders for every 10 shares held by way of capitalization of capital reserve; the total share capital of the Company will increase from 3,595,013,590 shares (1,535,121,660 A Shares and 2,059,891,930 H Shares) before the profit distribution to 5,392,520,385 shares (2,302,682,490 A Shares and 3,089,837,895 H Shares) after the profit distribution. The dividend distribution plan for 2020: dividend of RMB0.28 (inclusive of tax) for every share, with no bonus shares issued and no capital reserves converted into share capital. The Company completed the payment of the dividend for 2021 on 18 August 2022.

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

Applicable Not Applicable

1. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or other employee incentive measures

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

On 1 June 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 2019 annual general meeting 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, which is determined in accordance with the operation scheme, is RMB200 million, with the duration of five years.

As at 19 January 2021, the Company has completed the purchase of Shares under the First Phase of the Trust Plan and the lock-up period for the H Shares of the Company purchased is 12 months, namely from 20 January 2021 to 19 January 2022. The lock-up period of the First Phase of the Trust Plan expired on 19 January 2022.

On 18 June 2021, as considered and approved at the 16th meeting of the ninth session of the Board of the Company in 2021, the Second Phase of the Trust Plan was established by utilizing the surplus funds of RMB143 million from the bonus balance of the profit sharing plan with a duration of 60 months in accordance with the operation scheme approved at the annual general meeting of the Company in 2019. As at 8 October 2021, the Company has completed the purchase of Shares under the Second Phase of the Trust Plan and the lock-up period for the H Shares of the Company purchased is 12 months, namely from 28 September 2021 to 27 September 2022.

(2) The Company's Core Employee Stock Ownership Scheme

On 28 March 2022, after consideration and approval at the fourth meeting in 2022 of the ninth session of the Board of the Company, it was agreed on the operational plan for the establishment of the "Core Employee Stock Ownership Scheme" with the legal remuneration and bonus amount of the employees under the profit sharing plan drawn by the Company and purchase of A shares of the Company in the secondary market or acceptance of transferred A shares of the Company repurchased by the Company. It was also agreed on the Core Employee Stock Ownership Scheme (Draft) of China International Marine Containers (Group) Co., Ltd. formulated in accordance with the above operational plan. On 28 June 2022, the Core Employee Stock Ownership Scheme of China International Marine Containers (Group) Co., Ltd. (the "Implementation Plan for Core Employee Stock Ownership Scheme") was considered and approved at the 2021 annual general meeting. As at 29 August 2022, the Company has not yet implemented the first phase of the Core Employee Stock Ownership Scheme.

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2. Implementation of the Share Option Incentive Scheme, Employee Stock Ownership Scheme or other employee incentive measures by the Company's subsidiaries

CIMC Enric (a subsidiary of the Company)

(1) Share options

CIMC Enric approved and adopted a share option scheme (hereinafter referred to as the "Scheme") at its extraordinary general meeting held on 12 July 2006. The Scheme aimed to provide rewards and benefits to employees, directors and eligible persons of CIMC Enric for their contribution to CIMC Enric. On 5 June 2014, CIMC Enric granted share options to certain eligible persons under the Scheme, to subscribe for a total of 38,420,000 ordinary shares (hereinafter referred to as the "2014 Enric Share Options"). For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange.

The table below sets out the changes in the share options granted under the share option incentive scheme of CIMC Enric as at 30 June 2022:

Directors of CIMC Enric	Date of Grant	Number of underlying shares comprised in share options					Outstanding as at 30 June 2022	Exercise price per share HKD	Exercise period
		Outstanding as at 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Transferred to/from other categories during the Reporting Period	Lapsed during the Reporting Period			
GAO Xiang	2014.06.05	400,000	-	-	-	-	400,000	11.24	2016.06.05-2024.06.04
YANG Xiaohu	2014.06.05	400,000	-	-	-	-	400,000	11.24	2016.06.05-2024.06.04
YU Yuqun	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
TSUI Kei Pang	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
ZHANG Xueqian	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
Employees of CIMC Enric	2014.06.05	25,289,000	-	(408,000)	-	(760,000)	24,121,000	11.24	2016.06.05-2024.06.04
Other participants	2014.06.05	4,470,000	-	(150,000)	-	(200,000)	4,120,000	11.24	2016.06.05-2024.06.04
Total	-	31,459,000	-	(558,000)	-	(960,000)	29,941,000	-	-

Note:

- For the share options granted on 5 June 2014: Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of share options granted to any grantee become exercisable from 5 June 2016 and up to 4 June 2024; 30% of the share options become exercisable from 5 June 2017 and up to 4 June 2024; the remaining 30% of the share options become exercisable from 5 June 2018 and up to 4 June 2024. The exercise price of all the options granted is HK\$11.24 per share.
- The weighted average closing price of the shares immediately before the dates on which the options were exercised during the six months ended 30 June 2022 was HK\$11.76 per share.

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

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

As at 30 June 2022, a total of 193,660,608 options are available for grant under the New Scheme, and a total of 223,601,608 shares are available for issue under the Scheme and the New Scheme.

Saved as disclosed above, no options were granted, exercised, lapsed or cancelled by CIMC Enric for the six months ended 30 June 2022.

(2) Restricted share award scheme (2018)

CIMC Enric approved and adopted issuance and allotment of a total of up to 50,000,000 restricted shares to the trustee as shares held in trust by selected participants to participate in the award scheme, and granted restricted shares to directors and other related selected participants at its extraordinary general meeting held on 10 August 2018. On 24 August 2018, the conditions precedent under the award scheme were fulfilled, and a total of 46,212,500 restricted shares were allotted to and accepted by the selected participants. For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange. A total of 3,400,000 restricted shares were granted to the directors of CIMC Enric in 2018. As the vesting conditions for the first vesting period have been fulfilled, a total of 1,020,000 restricted shares were vested in the directors of CIMC Enric in 2019. As the vesting conditions for the second vesting period have been fulfilled, a total of 1,020,000 restricted shares were vested in the directors of CIMC Enric in 2020. As vesting conditions for the third vesting period have not been fulfilled, the remaining 1,360,000 restricted shares are reserved as a part of the trust and have been available for sale in accordance with the terms of the restricted share award scheme (2018), which has expired on 25 June 2022. As at 30 June 2022, details are set out below:

Directors of CIMC Enric	Date of Grant	Number of restricted shares				As at 30 June 2022	Vesting period
		As at 1 January 2022	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period		
GAO Xiang	2018.8.24	0	-	-	-	0	2018.6.26-2022.6.25
YANG Xiaohu	2018.8.24	0	-	-	-	0	2018.6.26-2022.6.25
YU Yuqun	2018.8.24	0	-	-	-	0	2018.6.26-2022.6.25
WANG Yu	2018.8.24	0	-	-	-	0	2018.6.26-2022.6.25
ZENG Han	2018.8.24	0	-	-	-	0	2018.6.26-2022.6.25
Total	-	0	-	-	-	0	-

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(3) 2020 Share Award Scheme

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

Subject to any early termination of the 2020 Award Scheme in accordance with its rules, the 2020 Award Scheme shall be valid and effective for a period of 10 years commencing from its adoption date. The total number of shares which may be purchased or issued pursuant to the 2020 Award Scheme shall not in aggregate exceed 2% of the total number of issued shares of CIMC Enric as at the adoption date of the 2020 Award Scheme (namely, a maximum of 40,209,691 shares). The maximum number of shares which may be granted to a participant at any one time or in aggregate under the 2020 Award Scheme must not exceed 0.5% of the total number of issued shares of CIMC Enric as at the adoption date of the 2020 Award Scheme (namely, a maximum of 10,052,422 shares). Eligible participants may elect to participate in the 2020 Award Scheme on a voluntary basis at any time while the 2020 Award Scheme is valid and effective. Pursuant to the 2020 Award Scheme, the grant of shares to the participants shall be performance-based or in accordance with other assessments as stipulated in the scheme rules. No grant and no issue and allotment of shares shall be made by CIMC Enric, no payment shall be made and no instruction shall be given to the trustee to purchase shares under the 2020 Award Scheme where any director of CIMC Enric is in possession of inside information (as defined in the SFO) in relation to CIMC Enric or where dealings in the shares are prohibited under all applicable laws, rules and regulations including, without limitation to, the Hong Kong Listing Rules and/or the SFO. The transfer of vested shares by the trustee to the relevant participants is not prohibited during such periods. The vesting of the granted shares is subject to the participant remaining as an eligible participant at all times after the date of the grant and on the vesting date. Any share held by the trustee on behalf of a participant pursuant to the scheme rules of the 2020 Award Scheme shall be vested in such participant in accordance with the vesting condition(s) or vesting schedule as determined by the board of directors of CIMC Enric from time to time under the scheme rules of the 2020 Award Scheme. The trustee shall not exercise any voting rights in respect of any shares held under the trust. No instruction as to voting may be given by any participant to the trustee in respect of the granted shares prior to the vesting of such granted shares in the participant. For the year ended 31 December 2021,

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33,324,006 shares were granted by CIMC Enric on 17 November 2021 under the 2020 Award Scheme. A total of 5,600,001 shares were granted to the directors of CIMC Enric in 2021. As at 30 June 2022, as the vesting conditions for the first vesting period have been fulfilled, a total of 1,866,667 Shares have been vested in the directors of CIMC Enric without exercise price, details of which are as follows:

Directors of CIMC Enric	Date of Grant	Number of shares for 2020 Award Scheme				As at 30 June 2022	Vesting period
		As at 1 January 2022	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period		
GAO Xiang	2021.11.17	1,200,000	-	(400,000)	-	800,000	2022.4-2024.4
YANG Xiaohu	2021.11.17	1,200,000	-	(400,000)	-	800,000	2022.4-2024.4
YU Yuqun	2021.11.17	800,001	-	(266,667)	-	533,334	2022.4-2024.4
WANG Yu	2021.11.17	600,000	-	(200,000)	-	400,000	2022.4-2024.4
ZENG Han	2021.11.17	600,000	-	(200,000)	-	400,000	2022.4-2024.4
YAN Yuyu	2021.11.17	300,000	-	(100,000)	-	200,000	2022.4-2024.4
TSUI Kei Pang	2021.11.17	300,000	-	(100,000)	-	200,000	2022.4-2024.4
ZHANG Xueqian	2021.11.17	300,000	-	(100,000)	-	200,000	2022.4-2024.4
WANG Caiyong	2021.11.17	300,000	-	(100,000)	-	200,000	2022.4-2024.4
Total	-	5,600,001	-	(1,866,667)	-	3,733,334	-

(4) Share Option Scheme for the Chemical Environment Business Centre

CIMC Enric adopted the Share Option Scheme for the Chemical Environment Business Centre on 27 November 2020 to recognize the contributions of the participants to the Chemical Environment Business Centre in the past and present and encourage them to continue their contributions in the future. Under the Share Option Scheme for the Chemical Environment Business Centre, the incentive shares will be granted to the participants through a partnership platform by way of subscription for the new registered capital of CIMC Safe Tech. Mr. GAO Xiang, Mr. YANG Xiaohu, Mr. YU Yuqun, Mr. ZENG Han and Mr. WANG Yu, directors of CIMC Enric, have subscribed for 0.33%, 2.19%, 0.13%, 0.13% and 0.13% of the share capital of CIMC Safe Tech respectively. For details, please refer to the relevant announcement of CIMC Enric published on the website of the Hong Kong Stock Exchange.

(5) Share Option Scheme for the Liquid Food Business Centre

CIMC Enric adopted the Share Option Scheme for the Liquid Food Business Centre on 8 June 2022 to recognize the contributions of the participants to the Liquid Food Business Centre in the past and present and encourage them to continue their contributions in the future. Under the Share Option Scheme for the Liquid Food Business Centre, the incentive shares will be granted to the participants through a partnership platform by way of subscription for the new registered capital of CIMC Liquid Process Technologies Co., Ltd. Mr. GAO Xiang, Mr. YANG Xiaohu, Mr. ZENG Han and Mr. WANG Yu, directors of CIMC Enric, have subscribed for 0.63%, 1.25%, 0.10% and 0.10% of the enlarged registered share capital of CIMC Liquid Process Technologies Co., Ltd., respectively. For details, please refer to the relevant announcement of CIMC Enric published on the website of the Hong Kong Stock Exchange.

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I. MATERIAL ENVIRONMENTAL PROTECTION EVENTS

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

Yes No Not Applicable

A total of 41 subsidiaries of the Group, which are the key pollutant dischargers announced by the environmental protection authorities, have taken effective measures to ensure that their production and operation comply with the relevant environmental protection laws and regulations, with details set forth as follows.

Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Yangzhou Tonglee Reefer Container Co., Ltd.	Nitric oxide	Organised emission	2	Northern part of the factory area	ND (not detected)	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Exposure Draft)	0	0.7200	Not exceeded
	Sulphur dioxide	Organised emission	2	Northern part of the factory area	ND (not detected)		0	0.1800	Not exceeded
	Blackness of fume	Organised emission	2	Northern part of the factory area	<1		-	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	Northern part of the factory area	0.100 mg/m ³	Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)	0.0100	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Northern part of the factory area	3.980 mg/m ³		0.9300	31.3000	Not exceeded
	Xylene	Organised emission	2	Northern part of the factory area	1.240 mg/m ³		0.2500	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Northern part of the factory area	0.160 mg/m ³		0.0400	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 56.55 dB; Night: 48.02 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008)	-	-	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Northwest gate of the factory area	4.500 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T 31962-2015)	0.0700	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Northwest gate of the factory area	63.500 mg/L		1.6200	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Northwest gate of the factory area	37.900 mg/L		1.0300	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Northwest gate of the factory area	3.700 mg/L		0.0900	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Northwest gate of the factory area	175.000 mg/L		4.4700	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Northwest gate of the factory area	28.900 mg/L		0.7700	Not approved by regulators	Not exceeded
Particulate matter	Organised emission	3	Northern part of the factory area	9.370 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.9800	2.4380	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Yangzhou Runyang Logistics Equipment Co., Ltd.	Fume	Organised emission	1	East of the factory area	0.823 mg/m ³	Emission Standard of Cooking Fume (Trial) (GB18483-2001)	0.0023	Not approved by regulators	Not exceeded
	VOCs	Organised emission	11	South, north and middle of the workshop, north-eastern corner of the factory area	0.597 mg/m ³	Implementation with reference to Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)	0.1653	78.2163	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station in the south of the workshop	0.025 mg/m ³	Emission Standards for Odour Pollutants (GB14554-93)	0.0001	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	Sewage treatment station in the south of the workshop	1.1496 mg/m ³		0.0052	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	8	South, north and middle of the workshop	ND (not detected)	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	8	South, north and middle of the workshop	ND (not detected)		0	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the north-eastern corner of the factory area	0.034 mg/m ³		0.0027	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	19	South, west, middle and north of the workshop	12.350 mg/m ³		6.8002	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	South and north of the workshop	0.022 mg/m ³		0.0024	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the north-eastern corner of the factory area	0.675 mg/m ³		0.0429	Not approved by regulators	Not exceeded
	Ringelmann emittance	Organised emission	8	South, north and middle of the workshop	< Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Second Exposure Draft)	-	-	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Southwestern corner of the company	0.502 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) and Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.0153	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Southwestern corner of the company	0.110 mg/L		0.0048	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Southwestern corner of the company	2.980 mg/L		0.0796	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Southwestern corner of the company	0.100 mg/L		0.0039	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Southwestern corner of the company	27.000 mg/L		0.8100	Not approved by regulators	Not exceeded
SS	Sewage collection pipes	1	Southwestern corner of the company	16.000 mg/L		0.4280	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd.	Particulate matter	Organised emission	25	4 in the Phase I workshop, 4 in the northwest of the Phase I workshop, 3 in the northwest of the Phase I workshop, 1 in the southwest of the Phase I workshop, 5 in the Phase I pre-treatment workshop, 4 in the Phase II workshop, 4 to the south of the Phase II workshop	3.512 mg/m ³	Emission Limits of Air Pollutants (DB44/27-2001)	12.2130	Not approved by regulators	Not exceeded
	NOX	Organised emission	6	3 to the north of the Phase I workshop, 1 to the south of the phase I workshop, 2 in the Phase I pre-treatment workshop, 2 in the south of the Phase II pre-treatment workshop	3.050 mg/m ³		0.9539	4.4144	Not exceeded
	Sulphur dioxide	Organised emission	8	3 to the north of the Phase I workshop, 1 to the south of the phase I workshop, 2 in the Phase I pre-treatment workshop, 2 in the south of the Phase II pre-treatment workshop	0.875 mg/m ³		0.0752	0.3276	Not exceeded
	Manganese and its compounds	Organised emission	4	Phase I/Phase II welding workshop	0.166 mg/m		0.0595	Not approved by regulators	Not exceeded
	Particulate matter	Fugitive emission	-	Boundary	0.135 mg/m ³		-	Not approved by regulators	Not exceeded
	Manganese and its compounds	Fugitive emission	-	Boundary	ND (not detected)		-	Not approved by regulators	Not exceeded
	VOCs	Fugitive emission	-	Boundary	0.188 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing (DB44/1837-2016)	-	Not approved by regulators	Not exceeded
	Methylbenzene and xylene	Organised emission	2	2 in the Phase I pre-treatment workshop	3.300 mg/m ³		0.9070	Not approved by regulators	Not exceeded
	Total VOCs	Organised emission	8	3 to the north of the Phase I workshop, 1 to the south of the phase I workshop, 2 in the Phase I pre-treatment workshop, 2 in the south of the Phase II workshop	5.190 mg/m ³		6.7211	47.5059	Not exceeded
	Benzene	Organised emission	2	2 in the Phase I pre-treatment workshop	0.050 mg/m ³		0.0092	Not approved by regulators	Not exceeded
	Benzene	Fugitive emission	-	Boundary	ND (not detected)		-	Not approved by regulators	Not exceeded
	Methylbenzene	Fugitive emission	-	Boundary	0.001 mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene	Fugitive emission	-	Boundary	0.034 mg/m ³		-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Special Reefer Co., Ltd.	PH	Organised emission	5	East and south of the factory area	7.9 (dimensionless)	Discharge Limits of Water Pollutants (DB44/26-2001)/	-	Not approved by regulators	Not exceeded
	COD	Organised emission	5	East and south of the factory area	34.700 mg/L	Wastewater Quality Standards for Discharge to Municipal	-	Not approved by regulators	Not exceeded
	SS	Organised emission	5	East and south of the factory area	54.100 mg/L	Sewers (GB/T31962-2015)	-	Not approved by regulators	Not exceeded
	VOCs	Fugitive emission	-	1 metre outside the workshop	0.570 mg/m ³	Control Standards of Fugitive Emission of Volatile Organic Compounds (GB37822-2019)	-	Not approved by regulators	Not exceeded
	Odour concentration	Fugitive emission	-	Boundary	11.625 (dimensionless)	Emission Standards for Odour Pollutants (GB14554-93)	-	Not approved by regulators	Not exceeded
	Ammonia	Fugitive emission	-	Boundary	0.050 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Fugitive emission	-	Boundary	0.003 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	South of the phase I workshop	0.224 mg/m ³		0.0038	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	South of the phase I workshop	0.160 mg/m ³		0.0027	Not approved by regulators	Not exceeded
	Odour concentration	Organised emission	1	South of the phase I workshop	537.500 (dimensionless)		-	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	1 in the north of the factory area	114.000mg/L	Wastewater Quality Standards for Discharge to Municipal	0.9000	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	1 in the north of the factory area	115.000mg/L	Sewers (GBT 31962-2015)	1.0000	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes	1	1 in the north of the factory area	7.29 (dimensionless)		-	-	Not exceeded
	Total phosphorus	Sewage collection pipes	1	1 in the north of the factory area	4.220 mg/L		0.0300	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	1 in the north of the factory area	1.220 mg/L		0.0090	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	1 in the north of the factory area	0.760 mg/L		0.0040	Not approved by regulators	Not exceeded
	BOD	Sewage collection pipes	1	1 in the north of the factory area	31.800 mg/L		0.2000	Not approved by regulators	Not exceeded
Ammonia nitrogen	Sewage collection pipes	1	1 in the north of the factory area	8.903 mg/L		0.1000	Not approved by regulators	Not exceeded	
Noise	-	-	Boundary	Daytime: 57.5 dB; Night: 48.4 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008)	-	-	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Reefer Container Manufacture Co., Ltd.	Nitric oxide	Organised emission	6	1 at the panel drying line, 1 at the small parts drying line, 1 at the top paint drying line, 1 at the coating line, 2 at the furnace	1.270 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	0.4000	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	6	1 at the panel drying line, 1 at the small parts drying line, 1 at the top paint drying line, 1 at the coating line, 2 at the furnace	0.070 mg/m ³		0.0300	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	22	1 at the panel drying line, 1 at the small parts drying line, 7 at the foaming line, 2 at the coating line, 3 at the assembly line, 1 at the sub-assembly line, 2 at the furnace, 5 at the coating, sand-blasting, dust-removing and cleaning line	4.520 mg/m ³		3.1000	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	1 at the panel drying line, 1 at coating	5.230 mg/m ³	Emission Standard of Volatile Organic Compounds Part V: Surface Coating Industry (DB37-2801.5-2018)	1.3000	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	1 at the panel drying line	ND (not detected)	Emission Standard of Volatile Organic Compounds Part VI: Organic Chemical Industry (DB37-2801.6-2018)	0	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	7	7 at the foaming line	3.600 mg/m ³	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT 31962-2015)	0.3000	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	West of the factory area	1.020 mg/L		0.0300	Not approved by regulators	Not exceeded
	BOD	Sewage collection pipes	2	1 in the west of the factory area, 1 in the north of the factory area	35.440 mg/L		1.1000	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	West of the factory area	1.090 mg/L		0.0200	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	2	1 in the west of the factory area, 1 in the north of the factory area	136.670 mg/L		4.1000	Not approved by regulators	Not exceeded
Fluoride	Sewage collection pipes	1	West of the factory area	2.120 mg/L		0.0600	Not approved by regulators	Not exceeded	
SS	Sewage collection pipes	2	1 in the west of the factory area, 1 in the north of the factory area	113.340 mg/L		4.0000	Not approved by regulators	Not exceeded	
PH	Sewage collection pipes	2	1 in the west of the factory area, 1 in the north of the factory area	7.83 (dimensionless)		-	-	Not exceeded	
Ammonia nitrogen	Sewage collection pipes	2	1 in the west of the factory area, 1 in the north of the factory area	10.510 mg/L		0.5000	Not approved by regulators	Not exceeded	
Total phosphorus	Sewage collection pipes	1	West of the factory area	1.920 mg/L		0.0800	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd.	Nitric oxide	Organised emission	8	1 at the pre-treatment paint spraying line, 2 at the furnace, 5 at the heat-exchanging furnace	8.500 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants (DB37 2376 - 2019)	0.6000	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	8	1 at the pre-treatment paint spraying line, 2 at the furnace, 5 at the heat-exchanging furnace	0.630 mg/m ³		0.0200	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	44	6 at the paint spraying line, 11 at the sand-blasting and dust-removing line, 3 at the welding line, 17 at the foaming line, 2 at the furnace, 5 at the heat-exchanging furnace	3.250 mg/m ³		3.5000	Not approved by regulators	Not exceeded
	VOCs	Organised emission	6	1 at the pre-treatment line, 1 each at the primer paint, intermediary paint and top paint line, 1 at the door panel line, 1 at the label-spraying line	12.840 mg/m ³	Emission Standard of Volatile Organic Compounds Part V: Surface Coating Industry (DB37-2801.5-2018)	5.7000	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	17	17 at the foaming line	17.680 mg/m ³	Emission Standard of Volatile Organic Compounds Part VI: Organic Chemical Industry (DB37-2801.6-2018)	4.1000	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 57.2 dB; Night: 48.1 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008)	-	-	Not exceeded
	Noise	-	-	Boundary	Daytime: 57.45 dB; Night: 48.80 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008) Class III Regional Standards	-	-	Not exceeded
	VOCs (organic waste gas)	Organised emission	8	East and centre of the factory area	19.373 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing (DB44/1837-2016)	18.7886	Not approved by regulators	Not exceeded
	Methylbenzene (organic waste gas)	Organised emission	8	East and centre of the factory area	0.121 mg/m ³		0.1170	Not approved by regulators	Not exceeded
	Xylene (organic waste gas)	Organised emission	8	East and centre of the factory area	0.704 mg/m ³		0.6824	Not approved by regulators	Not exceeded
Benzene (organic waste gas)	Organised emission	8	East and centre of the factory area	0.322 mg/m ³		0.3119	Not approved by regulators	Not exceeded	
Particulate matter (sanding, welding fume)	Organised emission	24	East and centre of the factory area	20.000 mg/m ³		12.8472	Not approved by regulators	Not exceeded	
Methylbenzene (boundary)	Fugitive emission	-	-		0.010 mg/m ³		-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Xinhui CIMC Container Co., Ltd.	Xylene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	-	0.788 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	-	0.01 mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter (organic waste gas)	Organised emission	8	East and centre of the factory area	20.000 mg/m ³	Emission Limits of Air Pollutants DB/27-2001 Time slot II Level II Standard	19.3968	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.177 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	-	Not approved by regulators	Not exceeded
	Particulate matter (sanding, welding fume)	Organised emission	14	Centre and northeast of the factory area	20.440 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	3.4644	Not approved by regulators	Not exceeded
	Particulate matter (organic waste gas)	Organised emission	5	Centre of the factory area	21.246 mg/m ³		8.7143	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.177 mg/m ³		-	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 57.45 dB; Night: 48.80 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008) Class III Regional Standards	-	-	Not exceeded
	VOCs (organic waste gas)	Organised emission	5	Centre of the factory area	21.875 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing (DB44/1837-2016)	8.9722	Not approved by regulators	Not exceeded
	Xylene (organic waste gas)	Organised emission	5	Centre of the factory area	2.016 mg/m ³		0.8270	Not approved by regulators	Not exceeded
	Methylbenzene (organic waste gas)	Organised emission	5	Centre of the factory area	0.064 mg/m ³		0.0264	Not approved by regulators	Not exceeded
	Benzene (organic waste gas)	Organised emission	5	Centre of the factory area	0.423 mg/m ³		0.1733	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	-	0.788 mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Container Manufacture Co., Ltd.	SS (domestic sewage)	Organised emission	1	Northwest of the factory area	19.033 mg/L	Discharge Limits of Water Pollutants DB/44-26-2001	2.3752	Not approved by regulators	Not exceeded
	COD (domestic sewage)	Organised emission	1	Northwest of the factory area	20.580 mg/L		2.5700	Not approved by regulators	Not exceeded
	PH (domestic sewage)	Organised emission	1	Northwest of the factory area	7.4 (dimensionless)		-	Not approved by regulators	Not exceeded
	Animal and vegetable oil (domestic sewage)	Organised emission	1	Northwest of the factory area	0.427 mg/L		0.0533	Not approved by regulators	Not exceeded
	Phosphate (domestic sewage)	Organised emission	1	Northwest of the factory area	0.232 mg/L		0.0290	Not approved by regulators	Not exceeded
	Total nitrogen (domestic sewage)	Organised emission	1	Northwest of the factory area	7.664 mg/L		0.9564	Not approved by regulators	Not exceeded
	Ammonia nitrogen (domestic sewage)	Organised emission	1	Northwest of the factory area	3.455 mg/m ³		0.4311	Not approved by regulators	Not exceeded
	BOD5 (domestic sewage)	Organised emission	1	Northwest of the factory area	4.892 mg/L		0.6105	Not approved by regulators	Not exceeded
	Ringelmann emittance (boiler)	Organised emission	2	Centre of the factory area	Level 1	Boiler Air Pollutant Discharge Standard DB44/765-2019	-	Not approved by regulators	Not exceeded
	Carbon monoxide (boiler)	Organised emission	2	Centre of the factory area	62.979 mg/m ³		1.9938	Not approved by regulators	Not exceeded
	Nitric oxide (boiler)	Organised emission	2	Centre of the factory area	75.813 mg/m ³		2.4001	Not approved by regulators	Not exceeded
	Particulate matter (boiler)	Organised emission	2	Centre of the factory area	10.154 mg/m ³		0.3211	Not approved by regulators	Not exceeded
	Sulphur dioxide (boiler)	Organised emission	2	Centre of the factory area	1.755 mg/m ³		0.0556	Not approved by regulators	Not exceeded
	Particulate matter	Fugitive emission	-	Boundary	0.248 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	-	-	Not exceeded
	Odour concentration	Fugitive emission	-	Boundary	11 (dimensionless)	Emission Standards for Odour Pollutants (GB 14554-93)	-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station	0.150 mg/m ³		0.0016	Not approved by regulators	Not exceeded
	Ammonia (ammonia gas)	Organised emission	1	Sewage treatment station	0.617 mg/m ³		0.0066	Not approved by regulators	Not exceeded
Sulfuretted hydrogen	Fugitive emission	-	Boundary	0.002 mg/m ³		-	-	Not exceeded	
Ammonia (ammonia gas)	Fugitive emission	-	Boundary	0.127 mg/m ³		-	-	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	VOCs	Fugitive emission	-	Boundary	1.421 mg/m ³	Shandong Provincial Standard	-	-	Not exceeded
	Xylene	Fugitive emission	-	Boundary	ND (not detected)	- Emission Standard of Volatile	-	-	Not exceeded
	Methylbenzene	Fugitive emission	-	Boundary	ND (not detected)	Organic Compounds Part V	-	-	Not exceeded
	Benzene	Fugitive emission	-	Boundary	ND (not detected)	(DB37/2801.5-2018)	-	-	Not exceeded
	VOCs	Organised emission	6	North of the assembly workshop	3.612 mg/m ³		0.8871	Not approved by regulators	Not exceeded
	Xylene	Organised emission	6	North of the assembly workshop	0.381 mg/m ³		0.0936	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	6	North of the assembly workshop	0.168 mg/m ³		0.0412	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	North of the assembly workshop	ND (not detected)		0	Not approved by regulators	Not exceeded
	NOx	Organised emission	6	North of the assembly workshop	ND (not detected)	Shandong Provincial Standard - Regional Integrated Emission	0	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	6	North of the assembly workshop	ND (not detected)	Standard of Air Pollutants (DB 37/2376 - 2019)	0	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	17	Northern part of the factory area	4.190 mg/m ³		1.9858	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 61.1 dB; Night: 51.9 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008) Class III Standard	-	-	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	West of the factory area	0.576 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade A Standard	0.0004	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	West of the factory area	30.902 mg/L		0.0195	Not approved by regulators	Not exceeded
	Total phosphorus (in terms of P)	Sewage collection pipes	1	West of the factory area	0.327 mg/L		0.0002	Not approved by regulators	Not exceeded
	Total nitrogen (in terms of N)	Sewage collection pipes	1	West of the factory area	8.898 mg/L		0.0056	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	West of the factory area	331.602mg/L		0.2089	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes	1	West of the factory area	78.230 mg/L		0.0493	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Zhangzhou CIMC Container Co., Ltd.	Particulate matter	Organised emission	10	East and centre of the factory area	22.670 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297)	4.3600	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	East of the factory area	0.140 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating Process (DB35/1783)	0.0049	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	East of the factory area	0.040 mg/m ³		0.0019	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	East of the factory area	1.410 mg/m ³		0.0590	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	7	East of the factory area	16.640 mg/m ³		9.3860	Not approved by regulators	Not exceeded
	Fume	Organised emission	1	East of the factory area	0.300 mg/m ³	Emission Standard of Cooking Fume (GB18483)	0.0140	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 58.6 dB; Night: 51.5 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348) Class III Standard	-	-	Not exceeded
	Nitric oxide	Organised emission	7	Centre of the factory area	89.860 mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271)	0.9400	Not approved by regulators	Not exceeded
	Smoke	Organised emission	7	Centre of the factory area	6.940 mg/m ³		0.0670	Not approved by regulators	Not exceeded
	Blackness	Organised emission	7	Centre of the factory area	< Level 1		-	-	Not exceeded
Tianjin CIMC Containers Co., Ltd.	Sulphur dioxide	Organised emission	5	Centre of the factory area	5.000 mg/m ³		0.0350	Not approved by regulators	Not exceeded
	Particulate matter (smoke)	Organised emission	9	4 in the painting workshop, 3 in the pre-treatment workshop, 2 at the furnace	2.200 mg/m ³	DB12/556-2015 Emission Standard of Air Pollutants for Industrial Kiln and Furnace; DB12/151-2020 Boiler Air Pollutant Discharge Standard for furnaces	0.6370	18.3500	Not exceeded
	Blackness of fume	Organised emission	9	4 in the painting workshop, 3 in the pre-treatment workshop, 2 at the furnace	< 1		-	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	9	4 in the painting workshop, 3 in the pre-treatment workshop, 2 at the furnace	3.200 mg/m ³		0.4360	2.5244	Not exceeded
	Nitric oxide	Organised emission	9	4 in the painting workshop, 3 in the pre-treatment workshop, 2 at the furnace	24.000 mg/m ³		0.6260	3.9564	Not exceeded

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	COD	Sewage collection pipes, no external emission	1	Southwest of the factory area	19.000 mg/L	Integrated Wastewater Discharge Standard DB12/356-2018	0	3.2800	Not exceeded
	Ammonia nitrogen	Sewage collection pipes, no external emission	1	Southwest of the factory area	0.400 mg/L		0	0.4900	Not exceeded
	PH	Sewage collection pipes, no external emission	1	Southwest of the factory area	7.9 (dimensionless)		0	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes, no external emission	1	Southwest of the factory area	5.300 mg/L		0	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes, no external emission	1	Southwest of the factory area	0.100 mg/L		0	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes, no external emission	1	Southwest of the factory area	9.500 mg/L		0	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes, no external emission	1	Southwest of the factory area	0.500 mg/L		0	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes, no external emission	1	Southwest of the factory area	3.400 mg/L		-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary)	Fugitive emission	-	-	1.200 mg/m ³	GB16297-1996 Integrated Emission Standard of Air Pollutants	-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.200 mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter (general dust)	Organised emission	31	8 at the shot blasting line, 5 at the sanding line, 18 in the welding workshop	2.500 mg/m ³		1.4220	18.3500	Not exceeded
	Odour concentration	Organised emission	6	4 in the painting workshop, 2 in the pre-treatment workshop	114.900 (dimensionless)	Emission Standards for Odour Pollutants DB12/059-2018	-	Not approved by regulators	Not exceeded
	Ethylbenzene	Organised emission	2	2 in the pre-treatment workshop	0.100 mg/m ³		-	Not approved by regulators	Not exceeded
	Odour concentration	Fugitive emission	-	Boundary	< 10 (dimensionless)		-	Not approved by regulators	Not exceeded
	Ammonia (boundary)	Fugitive emission	-	-	0.100 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen (boundary)	Fugitive emission	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Ningbo CIMC Logistics Equipment Co., Ltd.	Non-methane hydrocarbon (boundary of the coating workshop)	Fugitive emission	-	-	0.600 mg/m ³	DB12/524-2020 Emission Standard of VOCs from Industrial Enterprises	-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary of the coating workshop for special containers)	Fugitive emission	-	-	0.500 mg/m ³		-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary of the pre-treatment workshop 1)	Fugitive emission	-	-	0.600 mg/m ³		-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary of the pre-treatment workshop 2 & 3)	Fugitive emission	-	-	0.400 mg/m ³		-	Not approved by regulators	Not exceeded
	TR VOC	Organised emission	6	4 in the painting workshop, 2 in the pre-treatment workshop	7.500 mg/m ³		2.2940	145.3000	Not exceeded
	Total methylbenzene and xylene	Organised emission	2	2 in the pre-treatment workshop	0.400 mg/m ³		0.0260	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	4 in the painting workshop, 2 in the pre-treatment workshop	7.200 mg/m ³		1.7240	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 57.1 dB; Night: 45.8 dB	Noise Emission Standard for Industrial Enterprises at the Boundary GB12348-2008	-	-	Not exceeded
	Methylbenzene	Organised emission	2	Pre-treatment, label spraying	0.014 mg/m ³	Emission Standard of Air Pollutants for Industrial Surface	0.0015	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	Pre-treatment, label spraying	0.500 mg/m ³	Coating Table I Standard (DB33/2146)	0.0544	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	38	Pre-treatment, welding line	10.850 mg/m ³		9.2200	133.1380	Not exceeded
	Non-methane hydrocarbon	Organised emission	8	Pre-treatment, painting line, black paint, label spraying	4.530 mg/m ³		2.5340	Not approved by regulators	Not exceeded
	VOCs	Organised emission	8	Pre-treatment, painting line, black paint, label spraying	6.430 mg/m ³		3.5970	218.0780	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater of the factory	21.000 mg/L	Integrated Wastewater Discharge Standard Level III Standard (GB8978)	0.3400	1.0900	Not exceeded
Petroleum	Sewage collection pipes	1	Main outlet of wastewater of the factory	0.780 mg/L		0.0120	Not approved by regulators	Not exceeded	
Total zinc	Sewage collection pipes	1	Main outlet of wastewater of the factory	0.023 mg/L		0.0004	Not approved by regulators	Not exceeded	
PH	Sewage collection pipes	1	Main outlet of wastewater of the factory	6.9 (dimensionless)		-	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Taicang CIMC Containers Co., Ltd.	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater of the factory	0.436 mg/L	Table 1 Standard in the Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater (DB 33/887-2013)	0.0070	0.1100	Not exceeded
	Noise	-	-	Boundary	Daytime: 57.3 dB; Night: 46.9 dB	Noise Emission Standard for Industrial Enterprises at the Boundary Class III Standard Limit (GB12348-2008)	-	-	Not exceeded
	NOx	Organised emission	2	Painting line	1.490 mg/m ³	Table 3 Gas Furnace Limit in the Boiler Air Pollutant Discharge Standard (GB 13271-2014)	0.1470	2.1000	Not exceeded
	Particulate matter	Organised emission	8	South and northeast corner of the welding workshop at Line B	2.800 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.1000	6.4800	Not exceeded
	Methylbenzene	Organised emission	3	South of the welding workshop at Line B	0.200 mg/m ³		0.0300	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	South of the welding workshop at Line B	1.100 mg/m ³		0.1000	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	South of the welding workshop at Line B	2.900 mg/m ³	Based on the Technical Methods for Making Local Emission Standards of Air Pollutants	0.4000	32.4650	Not exceeded
	Rainwater SS	Direct emission	2	Gate 6 and south of the main road	47.000 mg/L	Integrated Wastewater Discharge Standard	-	Not approved by regulators	Not exceeded
	Rainwater COD	Direct emission	2	Gate 6 and south of the main road	17.000 mg/L		-	Not approved by regulators	Not exceeded
	Rainwater PH	Direct emission	2	Gate 6 and south of the main road	7.2 (dimensionless)		-	Not approved by regulators	Not exceeded
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	Xylene	Sewage collection pipes	1	East of the factory area	ND (not detected)	Integrated Wastewater Discharge Standard (GB8978-1996)	0	Not approved by regulators	Not exceeded
	Methylbenzene	Sewage collection pipes	1	East of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	East of the factory area	0.730 mg/L		0.0205	Not approved by regulators	Not exceeded
	BOD	Sewage collection pipes	1	East of the factory area	6.700 mg/L		0.1880	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	East of the factory area	0.070 mg/L		0.0020	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	2	East of the factory area + dormitory area	16.670 mg/L		1.3300	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	2	East of the factory area + dormitory area	26.350 mg/L		2.1000	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	PH	Sewage collection pipes	2	East of the factory area + dormitory area	7.5 (dimensionless)		-	-	Not exceeded
	Petroleum	Sewage collection pipes	1	East of the factory area	0.270 mg/L		0.0076	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	2	East of the factory area + dormitory area	11.970 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.9600	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	2	East of the factory area + dormitory area	1.130 mg/L		0.0900	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	2	East of the factory area + dormitory area	5.820 mg/L		0.4600	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 57.0 dB; Night: 49.0 dB	Noise Emission Standard for Industrial Enterprises at the Boundary GB12348-2008	-	-	Not exceeded
	Particulate matter	Organised emission	14	Centre of the factory area	1.850 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	2.7200	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	Centre of the factory area	0.145 mg/m ³		0.1400	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Centre of the factory area	0.175 mg/m ³		0.1700	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	3	Centre of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	3	Centre of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded
	Benzene	Organised emission	4	Centre of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Centre of the factory area	2.600 mg/m ³	Integrated Emission Standard of Air Pollutants of Tianjin City	2.5500	144.7600	Not exceeded
	Ethyl acetate	Organised emission	4	Centre of the factory area	0.250 mg/m ³	Integrated Emission Standard of Air Pollutants of Shanghai City (DB31/933-2015)	0.2400	Not approved by regulators	Not exceeded
Shanghai CIMC Baowell Industries Co. Ltd.	Ammonia nitrogen (NH ₃ -H)	Sewage collection pipes	3	South and north of the factory area	19.500 mg/L	Integrated Wastewater Discharge Standard DB31/199-2018	0.8600	Not approved by regulators	Not exceeded
	Total nitrogen (in terms of N)	Sewage collection pipes	3	South and north of the factory area	39.900 mg/L		1.6000	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	3	South and north of the factory area	44.700 mg/L		2.0000	Not approved by regulators	Not exceeded
	BOD ₅	Sewage collection pipes	3	South and north of the factory area	72.700 mg/L		2.2000	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes	3	South and north of the factory area	7.6 (dimensionless)		-	-	Not exceeded
	COD	Sewage collection pipes	3	South and north of the factory area	148.000mg/L		7.0000	Not approved by regulators	Not exceeded

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Shanghai CIMC Yangshan Logistics Equipments Co., Ltd.	Nitric oxide	Organised emission	4	South and north of the factory area	3.700 mg/m ³	Emission Standard of Air Pollutants DB31/933-2015	1.3700	2.9200	Not exceeded
	VOCs	Organised emission	4	South and north of the factory area	4.000 mg/m ³		2.2900	46.1200	Not exceeded
	Benzene	Organised emission	2	South and north of the factory area	0.017 mg/m ³		0.0120	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	South and north of the factory area	0.020 mg/m ³		0.0200	Not approved by regulators	Not exceeded
	Benzene congeners	Organised emission	2	South and north of the factory area	0.073 mg/m ³		0.2300	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	South and north of the factory area	0.013 mg/m ³		0.1300	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	14	South and north of the factory area	2.560 mg/m ³		5.5000	48.8400	Not exceeded
	Sulphur dioxide	Organised emission	4	South and north of the factory area	3.000 mg/m ³		1.1700	2.0400	Not exceeded
	4-Methyl-2-pentanone	Organised emission	2	South and north of the factory area	0.001 mg/m ³	Emission Standards for Odour Pollutants DB31/1025-2016	0.0120	Not approved by regulators	Not exceeded
	Odour concentration	Organised emission	3	South and north of the factory area	93.58 (dimensionless)		-	Not approved by regulators	Not exceeded
	Ammonia (ammonia gas)	Organised emission	1	South and north of the factory area	0.250 mg/m ³		0.2000	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	South and north of the factory area	0.005 mg/m ³		0.0020	Not approved by regulators	Not exceeded
	NOx (boiler)	Organised emission	1	Northern part of the factory area	40.000 mg/m ³	Boiler Air Pollutant Discharge Standard DB 31/387-2018	1.2000	Not approved by regulators	Not exceeded
	Fume	Organised emission	1	Northern part of the factory area	0.100 mg/m ³	Emission Standard of Cooking Fume DB 31/844-2014	0.0700	Not approved by regulators	Not exceeded
	Noise	-	-	Boundary	Daytime: 58.5 dB; Night: 48.75 dB	Noise Emission Standard for Industrial Enterprises at the Boundary (GB12348-2008)	-	-	Not exceeded
	VOCs	Organised emission	4	Pre-treatment sanding line, primer paint line, intermediary paint line, exterior paint line	5.096 mg/m ³	Integrated Emission Standard of Air Pollutants DB31/933-2015	0.7385	19.2570	Not exceeded
	Benzene	Boundary	-	-	ND (not detected)		-	-	Not exceeded
Particulate matter	Boundary	-	-	0.109 mg/m ³		-	-	Not exceeded	
Non-methane hydrocarbon	Boundary	-	-	0.740 mg/m ³		-	-	Not exceeded	
Benzene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded	
Xylene	Boundary	-	-	ND (not detected)		-	-	Not exceeded	
Particulate matter	Organised emission	7	1 at the pre-treatment sanding line, whole container sanding line, 2 at the whole container sanding line, 3 at the whole container sanding line, primer paint line, intermediary paint line, exterior paint line	0.600 mg/m ³		0.0781	6.1143	Not exceeded	

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	Methylbenzene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded
	Methylbenzene	Boundary	0	-	ND (not detected)		-	-	Not exceeded
	Xylene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded
	Fume	Organised emission	2	The small canteen and the great canteen	0.158 mg/m ³	Emission Standard of Cooking Fume DB31/844-2012	0.0042	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	1	Production boiler	17.000 mg/m ³	DB31/387-2018Boiler Air Pollutant Discharge Standard	0.1015	0.6585	Not exceeded
	Sulphur dioxide	Organised emission	1	Production boiler	ND (not detected)		-	0.0073	Not exceeded
	Odour concentration	Organised emission	1	Primer paint line	127 (dimensionless)	Emission Standards for Odour Pollutants DB31/1025-2016	-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Primer paint line	ND (not detected)		0	Not approved by regulators	Not exceeded
	Ammonia gas	Organised emission	1	Primer paint line	0.590 mg/m ³		0.0380	Not approved by regulators	Not exceeded
	Ammonia gas	Boundary	-	-	0.130 mg/m ³		-	-	Not exceeded
	Odour concentration	Boundary	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Boundary	-	-	0.001 (not detected)		-	-	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater	0.180 mg/L	DB31/199-2018Integrated Wastewater Discharge Standard	0.0062	2.4000	Not exceeded
	SS	Sewage collection pipes	1	Main outlet of wastewater	23.000 mg/L		0.7971	Not approved by regulators	Not exceeded
	Total dissolved solids	Sewage collection pipes	1	Main outlet of wastewater	346.000mg/L		11.9918	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Main outlet of wastewater	9.430 mg/L		0.3268	5.9250	Not exceeded
	PH	Sewage collection pipes	1	Main outlet of wastewater	7.36 (dimensionless)		-	-	Not exceeded
	Sulphide	Sewage collection pipes	1	Main outlet of wastewater	0.225 mg/L		0.0078	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Main outlet of wastewater	15.900 mg/L		0.5511	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of rainwater	40.000 mg/L		-	-	Not exceeded
	Petroleum	Sewage collection pipes	1	Main outlet of wastewater	0.075 mg/L		0.0026	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	Main outlet of wastewater	1.020 mg/L		0.0354	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Main outlet of wastewater	0.090 mg/L		0.0031	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes	1	Main outlet of wastewater	147.000mg/L		5.0948	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater	21.000 mg/L		0.7278	34.2200	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Noise	Boundary	-	-	Daytime: 58.75 dB	Noise Emission Standard for Industrial Enterprises at the Boundary GB12348-2008	-	-	Not exceeded
CIMC Taicang Refrigeration Equipment Logistics Co., Ltd.	Sulphur dioxide	Organised emission	8	South/north of Plant #3, South/north of Workshop #1, pre-treatment workshop, furnace room	2.030 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB32/3728-2020)	0.1390	0.4413	Not exceeded
	NOX	Organised emission	8	South/north of Plant #3, South/north of Workshop #1, pre-treatment workshop, furnace room	6.820 mg/m ³		1.1930	3.4729	Not exceeded
	Particulate matter	Organised emission	20	South/north of Plant #3, both sides of the assembly, north of Workshop #3, South/north of Workshop #1, west of pre-treatment workshop	6.400 mg/m ³	Integrated Emission Standard of Air Pollutants (DB32/4041-2021)	4.4990	22.3850	Not exceeded
	Non-methane hydrocarbon	Organised emission	8	South/north of Plant #3, South/north of Workshop #1, west of pre-treatment workshop	14.680 mg/m ³		6.8040	43.3120	Not exceeded
	Xylene	Boundary	-	-	0.031 mg/m ³		-	Not approved by regulators	Not exceeded
	Nitric oxide	Boundary	-	-	0.042 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulphur dioxide	Boundary	-	-	0.011 mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter	Boundary	-	-	0.312 mg/m ³		-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Boundary	-	-	1.410 mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	5	South/north of Plant #3, South/north of Workshop #1, west of pre-treatment workshop	7.300 mg/m ³		1.5460	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Taicang CIMC Special Logistics Equipment Co. Ltd.	Odour concentration	Boundary	-	-	11.125	Emission Standards for Odour Pollutants (GB14554-93)	-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Boundary	-	-	0.004 mg/m ³		-	Not approved by regulators	Not exceeded
	Ammonia	Boundary	-	-	0.121 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station	0.550 mg/m ³		0.0040	Not approved by regulators	Not exceeded
	Ammonia gas	Organised emission	1	Sewage treatment station	0.600 mg/m ³		0.0020	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	5	South of the finished workshop and west of the pre-treatment workshop at Line A	0.200 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.1000	Not approved by regulators	Not exceeded
	Xylene	Organised emission	5	South of the finished workshop and west of the pre-treatment workshop at Line A	0.800 mg/m ³		0.3000	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	South of the finished workshop and northwest of the pre-treatment workshop at Line A	2.300 mg/m ³		2.2000	8.6400	Not exceeded
	Rainwater PH	Direct emission	2	Gate 4 and north of the main road	7.8 (dimensionless)	Integrated Wastewater Discharge Standard	-	Not approved by regulators	Not exceeded
	Rainwater SS	Direct emission	2	Gate 4 and north of the main road	30.000 mg/L		-	Not approved by regulators	Not exceeded
	Rainwater COD	Direct emission	2	Gate 4 and north of the main road	12.000 mg/L		-	Not approved by regulators	Not exceeded
	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd.	VOCs	Organised emission	5	South of the finished workshop and west of the pre-treatment workshop at Line A	2.200 mg/m ³	Based on the Technical Methods for Making Local Emission Standards of Air Pollutants	0.9000	77.5370
Normal butyl Alcohol		Organised emission	5	South of the finished workshop and west of the pre-treatment workshop at Line A	ND (not detected)		0	Not approved by regulators	Not exceeded
Methylbenzene		Organised emission	2	Semi-trailer coating workshop, tank truck coating workshop	ND (not detected)	Surface Coating (Vehicle Manufacturing Industry) Emission Standard of Volatile Organic Compounds DB32/2862-2016	0	Not approved by regulators	Not exceeded
Xylene		Organised emission	2	Semi-trailer coating workshop, tank truck coating workshop	0.059 mg/m ³		0.0022	Not approved by regulators	Not exceeded
VOCs		Organised emission	12	Semi-trailer KTL workshop, coating workshop, hazardous waste warehouse; tank truck coating workshop, paint refinishing room, hazardous waste warehouse	52.800 mg/m ³		1.7801	4.6740	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Blackness of fume	Organised emission	5	Semi-trailer KTL workshop, shower room; tank truck coating workshop, shower room	< Level 1	Boiler Air Pollutant Discharge Standard GB13271-2014	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	5	Semi-trailer KTL workshop, shower room; tank truck coating workshop, shower room	11.900 mg/m ³		0.0190	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	5	Semi-trailer KTL workshop, shower room; tank truck coating workshop, shower room	ND (not detected)		0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	5	Semi-trailer KTL workshop, shower room; tank truck coating workshop, shower room	48.000 mg/m ³		0.1515	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	6	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop	18.300 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.8746	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	2	tank truck coating workshop, paint refinishing room	3.900 mg/m ³		0.1394	Not approved by regulators	Not exceeded
	Blackness of fume	Organised emission	10	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	< Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB32/3728-2020	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	15.600 mg/m ³		0.0544	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	11	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	ND (not detected)		0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	11	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	135.000mg/m ³		0.5869	Not approved by regulators	Not exceeded
	Phosphoric acid fume	Organised emission	1	Semi-trailer KTL workshop	ND (not detected)	Integrated Emission Standard of Air Pollutants DB31/933-2015	0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	1	Tank truck coating workshop	3.120 mg/m ³		0.0152	Not approved by regulators	Not exceeded
	Fluoride	Organised emission	1	Tank truck coating workshop	2.980 mg/m ³		0.0188	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	7.980 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015 (GRADE B), Integrated Wastewater Discharge Standard GB8978-1996 (Level III)	0.4591	1.0060	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission	
Zhujian CIMC Huajun Vehicle Co., Ltd.	COD	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	496.500 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015 (GRADE B), Integrated Wastewater Discharge Standard GB8978-1996 (Level III)	26.2880	103.8420	Not exceeded	
	Total nitrogen	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	63.200 mg/L		2.3453	9.9740	Not exceeded	
	Petroleum	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	1.510 mg/L		0.0572	Not approved by regulators	Not exceeded	
	SS	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	58.000 mg/L		3.4511	Not approved by regulators	Not exceeded	
	BOD5	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	48.700 mg/L		2.5457	Not approved by regulators	Not exceeded	
	Anionic surfactant	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	1.800 mg/L		0.0711	Not approved by regulators	Not exceeded	
	PH	Indirect emission	2	Semi-trailer coating workshop, tank truck coating workshop	8.485 (dimensionless)		-	Not approved by regulators	Not exceeded	
	Total nickel	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	0.683 mg/L		0.0048	0.0080	Not exceeded	
	Total chromium	Indirect emission	1	main outlet at the tank truck factory	ND (not detected)		0	0.00003	Not exceeded	
	Fluoride	Indirect emission	1	main outlet at the tank truck factory	16.800 mg/L		0.3920	Not approved by regulators	Not exceeded	
	Ammonia nitrogen	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	42.150 mg/L		2.5696	5.781	Not exceeded	
	Total zinc	Indirect emission	1	Main outlet at the semi-trailer factory	0.120 mg/L		0.0048	Not approved by regulators	Not exceeded	
	Total manganese	Indirect emission	1	Main outlet at the semi-trailer factory	0.420 mg/L		0.0156	Not approved by regulators	Not exceeded	
	Methylbenzene	Organised emission	13	Surrounding of the coating workshop	0.188 mg/m ³		Emission Standard of Volatile Organic Compounds for Industrial Surface Coating Process DB41/1951-2020	0.0981	Not approved by regulators	Not exceeded
	Xylene	Organised emission	13	Surrounding of the coating workshop	3.330 mg/m ³			1.2239	Not approved by regulators	Not exceeded
VOCs (in terms of Non-methane hydrocarbon)	Organised emission	15	Surrounding of the coating workshop	13.270 mg/m ³	5.5730	58.8350		Not exceeded		
Particulate matter	Organised emission	11	Surrounding of the sand blasting workshop	29.400 mg/m ³	Integrated Emission Standard of Air Pollutants GB 16297-1996	1.8312	Not approved by regulators	Not exceeded		
Particulate matter	Organised emission	13	Surrounding of the coating workshop	5.400 mg/m ³		2.4512	Not approved by regulators	Not exceeded		

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Liangshan CIMC Dongyue Vehicle Co., Ltd.	COD	Indirect emission	1	Main outlet of the factory	21.750 mg/L	Integrated Wastewater	0.1656	3.4440	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Main outlet of the factory	5.560 mg/L	Discharge Standard GB	0.0286	0.4750	Not exceeded
	BOD5	Indirect emission	1	Main outlet of the factory	6.200 mg/L	8978-1996	0.0483	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Main outlet of the factory	7.7 (dimensionless)		-	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Main outlet of the factory	0.930 mg/L		0.0065	Not approved by regulators	Not exceeded
	Fluoride	Indirect emission	1	Main outlet of the factory	0.820 mg/L		0.0055	Not approved by regulators	Not exceeded
	Anionic surfactant	Indirect emission	1	Main outlet of the factory	0.184 mg/L		0.0029	Not approved by regulators	Not exceeded
	Petroleum	Indirect emission	1	Main outlet of the factory	0.120 mg/L		0.0010	Not approved by regulators	Not exceeded
	Phosphate	Indirect emission	1	Main outlet of the factory	0.770 mg/L		0.0048	0.0316	Not exceeded
	SS	Indirect emission	1	Main outlet of the factory	12.000 mg/L		0.0815	Not approved by regulators	Not exceeded
	Total nickel	Indirect emission	1	Main outlet of the factory	ND (not detected)		0	0	Not exceeded
	VOCs	Organised emission	1	Painting room	3.020 mg/m ³	Emission Standard of Volatile Organic Compounds Part I: Vehicle Manufacturing Industry	0.1493	149.7300	Not exceeded
	Methylbenzene	Organised emission	1	Painting room	0.197 mg/m ³		0.0077	Not approved by regulators	Not exceeded
Xylene	Organised emission	1	Painting room	0.298 mg/m ³		0.0114	Not approved by regulators	Not exceeded	
Particulate matter	Organised emission	3	1 in the painting room, 2 at the shot blaster	3.100 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants DB37/2376-2019	0.1153	Not approved by regulators	Not exceeded	
CIMC Vehicles (Liaoning) Co., Ltd.	NOX 2	Organised emission	2	2 in the winter heat supply furnace room (DA007-008)	42.000 mg/m ³	Boiler Air Pollutant Discharge Standard GB13271-2014	0.1000	Not approved by regulators	Not exceeded
	Sulphur dioxide2	Organised emission	2	2 in the winter heat supply furnace room (DA007-008)	6.000 mg/m ³		0.0200	Not approved by regulators	Not exceeded
	Blackness of fume2	Organised emission	2	2 in the winter heat supply furnace room (DA007-008)	< Level 1		-	Not approved by regulators	Not exceeded
	Blackness of fume1	Organised emission	1	1 in the drying room to the north of the Phase I workshop DA006	< Level 1	Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB9078-1996	-	Not approved by regulators	Not exceeded
	Sulphur dioxide1	Organised emission	1	1 in the drying room to the north of the Phase I workshop DA006	11.000 mg/m ³		0.0030	0.0410	Not exceeded
	NOX 1	Organised emission	1	1 in the drying room to the north of the Phase I workshop DA006	77.700 mg/m ³		0.0100	0.1240	Not exceeded
	Particulate matter1	Organised emission	1	Emission outlet in the drying room to the north of the Phase I workshop DA006	4.900 mg/m ³		0.0010	0.0080	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Eco-Equipment Co., Ltd.	Particulate matter ²	Organised emission	7	Emission outlet in the painting room and sanding room to the north of the Phase I workshop (DA001-005), 2 in the winter heat supply furnace room (DA007-008)	13.600 mg/m ³	Integrated Emission Standard of Air Pollutants 16297-1996	0.030	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	2 to the north of the Phase I workshop (DA001-002)	12.500 mg/m ³		0.1000	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Main outlet of wastewater	7.6 (dimensionless)	Integrated Wastewater Discharge Standard DB21/1627-2008	-	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Main outlet of wastewater	148.000 mg/L		0.2000	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission	1	Main outlet of wastewater	42.000 mg/L		0.1100	Not approved by regulators	Not exceeded
	BOD ₅	Indirect emission	1	Main outlet of wastewater	37.000 mg/L		0.0500	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Main outlet of wastewater	210.000 mg/L		0.3000	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Main outlet of wastewater	0.180 mg/L		0.0005	Not approved by regulators	Not exceeded
	Ammonia nitrogen NH ₃ -N	Indirect emission	1	Main outlet of wastewater	6.000 mg/L		0.0100	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Paint spraying workshop	0.061 mg/m ³	Emission Standard of Volatile Organic Compounds Part I: Vehicle Manufacturing Industry, DB37/2801.1-2016	0.0021	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	1	Paint spraying workshop	0.010 mg/m ³		0.0004	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Paint spraying workshop	0.080 mg/m ³		0.4661	39.9600	Not exceeded
	Particulate matter	Organised emission	1	Paint spraying workshop	2.100 mg/m ³	Regional and Integrated Emission Standard of Air Pollutants DB37 2376-2019	0.0907	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	1	Putty polishing room	1.500 mg/m ³		0.0633	Not approved by regulators	Not exceeded
Hydrogen chloride	Organised emission	1	Pre-treatment	0.330 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.0018	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
CIMC-SHAC (Xi'an) Special Vehicle Co., Ltd.	Particulate matter	Organised emission	8	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room, 2 outside the sand blasting room, 1 outside the eastern gate of the small parts team, 1 outside the coating passage	17.400 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	2.2690	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	3	1 outside the primer paint room, 1 outside the top paint room, 1 outside the small parts painting room	ND (not detected)		0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	3	1 outside the primer paint room, 1 outside the top paint room, 1 outside the small parts painting room	ND (not detected)		0	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the primer paint room, 2 outside the top paint room	0.398 mg/m ³	Shaanxi Provincial Emission Control Standard of Volatile Organic Compounds (DB61/T1061-2017)	0.0200	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the primer paint room, 2 outside the top paint room	1.250 mg/m ³		0.0750	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the primer paint room, 2 outside the top paint room	2.920 mg/m ³		0.4230	45.5000	Not exceeded
Wuhu CIMC Ruijiang Automobile Co., Ltd.	Particulate matter1	Organised emission	1	1 in the powder tank sand blasting room	15.800 mg/m ³	Integrated Emission Standard of Air Pollutants of Shanghai City (DB31-933-2015)	0.6600	Not approved by regulators	Not exceeded
	Particulate matter2	Organised emission	1	3 at the powder tank truck painting line, 2 at the mixer powder spraying line	8.600 mg/m ³		1.2850	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	5	3 at the Phase I painting line, 1 at the mixing, powder-spraying and solidification line, 1 at the liquid tank truck coating line	4.440 mg/m ³		0.4900	6.8190	Not exceeded
	Sulphur dioxide	Organised emission	4	2 at the powder tank truck painting line, 2 at the mixer powder spraying line	3.000 mg/m ³		0.1330	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	4	2 at the powder tank truck painting line, 2 at the mixer powder spraying line	8.000 mg/m ³		0.6300	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	2 at the powder tank truck coating line, 1 at the liquid tank truck coating line	1.050 mg/m ³		0.0582	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
CIMC Vehicles (Shandong) Co., Ltd.	SS	Intermittent emission	1	Main outlet of wastewater	75.000 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) Level III Standard	1.0800	Not approved by regulators	Not exceeded
	Petroleum	Intermittent emission	1	Main outlet of wastewater	7.980 mg/L		0.1120	Not approved by regulators	Not exceeded
	PH	Intermittent emission	1	Main outlet of wastewater	7.2 (dimensionless)	-	Not approved by regulators	Not exceeded	
	COD	Intermittent emission	1	Main outlet of wastewater	5.730 mg/L	0.0233	0.1441	Not exceeded	
	Ammonia nitrogen	Intermittent emission	1	Main outlet of wastewater	21.50 mg/L	0.0873	4.3431	Not exceeded	
	Animal and vegetable oil	Intermittent emission	1	Main outlet of wastewater	2.870 mg/L	0.0790	Not approved by regulators	Not exceeded	
	Fluoride	Intermittent emission	1	Main outlet of wastewater	1.200 mg/L	0.0160	Not approved by regulators	Not exceeded	
	Anionic surfactant	Intermittent emission	1	Main outlet of wastewater	0.260 mg/L	0.0030	Not approved by regulators	Not exceeded	
	BOD5	Intermittent emission	1	Main outlet of wastewater	22.300 mg/L	0.3140	Not approved by regulators	Not exceeded	
	Nitric oxide	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	37.000 mg/L	Boiler Air Pollutant Discharge Standard of Shandong Province (DB37/2374-2018)	0.1100	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	1.000 mg/m ³		0.0015	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	2.200 mg/m ³	0.0130	Not approved by regulators	Not exceeded	
	Methylbenzene	Organised emission	4	Paint spraying workshop - paint spraying (small parts, colour separation), drying (small parts, colour separation)	0.903 mg/m ³	Emission Standard of Volatile Organic Compounds of Shandong Province Part I: Vehicle Manufacturing Industry (DB37/2801.1-2016)	0.0161	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Paint spraying workshop - paint spraying (small parts, colour separation), drying (small parts, colour separation)	3.420 mg/m ³		0.0598	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	Paint spraying workshop - paint spraying (small parts, colour separation), drying (small parts, colour separation), plate making process, cold foaming process	8.380 mg/m ³	0.4388	20.6500	Not exceeded	
Benzene	Organised emission	4	Paint spraying workshop - paint spraying (small parts, colour separation), drying (small parts, colour separation)	0.034 mg/m ³	0.0063	Not approved by regulators	Not exceeded		

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Particulate matter	Organised emission	7	Paint spraying workshop – paint spraying (small parts, colour separation), drying (small parts, colour separation), carving and trimming, plasma cutting, woodworking blanking	3.600 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.3226	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	2	Paint spraying workshop – paint spraying, colour separation, small parts drying	2.000 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019), limit being 50mg/m ³	0.0017	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2	Paint spraying workshop – paint spraying, colour separation, small parts drying	81.000 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019), limit being 100mg/m ³	0.1543	Not approved by regulators	Not exceeded
	PH	Intermittent discharge with uncertain flow	1	Outlet of domestic wastewater	7.8 (dimensionless)	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015), limit being 6.5-9.5	-	Not approved by regulators	Not exceeded
	COD	Intermittent discharge with uncertain flow	1	Outlet of domestic wastewater	25.000 mg/L		0.1360	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent discharge with uncertain flow	1	Outlet of domestic wastewater	3.820 mg/L		0.0165	Not approved by regulators	Not exceeded
	BOD5	Intermittent discharge with uncertain flow	1	Outlet of domestic wastewater	7.900 mg/L		0.0434	Not approved by regulators	Not exceeded
	SS	Intermittent discharge with uncertain flow	1	Outlet of domestic wastewater	21.00 mg/L		0.0945	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent discharge with uncertain flow	1	Outlet of domestic wastewater	7.170 mg/L		0.0406	Not approved by regulators	Not exceeded
Shenzhen CIMC Special Vehicle Co., Ltd.	Particulate matter1	Organised emission	3	Welding workshop	1.600 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	0.1821	1.8300	Not exceeded
	Particulate matter2	Organised emission	6	Coating workshop	7.000 mg/m ³	Boiler Air Pollutant Discharge Standard B13271-2014	0.0163	1.8300	Not exceeded
	Nitric oxide	Organised emission	6	Coating workshop	124.000 mg/m ³		0.2788	0.8400	Not exceeded
	Sulphur dioxide	Organised emission	6	Coating workshop	20.000 mg/m ³		0.0338	0.1800	Not exceeded
	Ringelmann emittance	Organised emission	6	Coating workshop	Level 0		-	Not approved by regulators	Not exceeded
	Methylbenzene+Xylene	Organised emission	1	Coating workshop	0.326 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0.0017	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Coating workshop	2.800 mg/m ³		0.008	0.1340	Not exceeded

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Qingdao CIMC Special Vehicle Co., Ltd.	Xylene	Organised emission	1	Paint spraying workshop	0.041 mg/m ³	Emission Standard of Volatile Organic Compounds Part I:	0.0048	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Paint spraying workshop	0.070 mg/m ³	Vehicle Manufacturing Industry, DB37/2801.1-2016	0.5368	71.1800	Not exceeded
	Particulate matter	Organised emission	4	Paint spraying workshop	4.300 mg/m ³	Regional and Integrated Emission Standard of Air Pollutants DB37 2376-2019	0.4500	Not approved by regulators	Not exceeded
Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd.	Particulate matter	Organised emission	3	Shot blasting room, centralised welding fume collection	3.200 mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.1870	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2	Drying room	<3 mg/m ³	Pollutants (DB37/2376-2019)	0.0362	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	2	Drying room	<3 mg/m ³		0.0032	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Painting room, drying room	3.630 mg/m ³	Emission Standard of Volatile Organic Compounds of Shandong Province Part I: Vehicle Manufacturing Industry (DB37/2801.1-2016)	0.3078	78.6450	Not exceeded
	Methylbenzene	Organised emission	1	Painting room, drying room	0.160 mg/m ³		0.0089	Not approved by regulators	Not exceeded
CIMC Vehicles (Jiangmen) Co., Ltd.	Xylene	Organised emission	1	Painting room, drying room	0.258 mg/m ³		0.0156	Not approved by regulators	Not exceeded
	Methylbenzene+Xylene	Organised emission	3	3 at the painting line	15.700 mg/m ³	DB44/816-2010 Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry)	0.7806	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	3 at the painting line	39.800 mg/m ³	DB44/27-2001 Emission Limits of Air Pollutants	1.0181	2.0950	Not exceeded
	Particulate matter	Organised emission	4	1 at the sand blasting line, 3 at the paint polishing room	<20 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB9078-1996	0.7311	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	1	1 at the drying room, same as NOx	14.000 mg/m ³		0.0088	0.0800	Not exceeded
	NOx	Organised emission	1	1 at the drying room, same as SO2	65.000 mg/m ³		0.0558	0.4400	Not exceeded
	Dongguan CIMC Special Vehicle Co., Ltd.	COD	Direct emission	1	Outlet of production wastewater	14.000 mg/L	Environmental Quality Standard for Surface Water GB3838-2002	0.0815	Not approved by regulators
BOD5		Direct emission	1	Outlet of production wastewater	3.700 mg/L		0.0215	Not approved by regulators	Not exceeded
Total phosphorus		Direct emission	1	Outlet of production wastewater	0.100 mg/L		0.0006	Not approved by regulators	Not exceeded
Petroleum		Direct emission	1	Outlet of production wastewater	0.260 mg/L		0.0015	Not approved by regulators	Not exceeded
Total zinc		Direct emission	1	Outlet of production wastewater	0.040 mg/L		0.0002	Not approved by regulators	Not exceeded
Total nickel		Direct emission	1	Outlet of production wastewater	0.025 mg/L		0.0001	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Gansu CIMC Huajun Vehicle Co., Ltd.	Total manganese	Direct emission	1	Outlet of production wastewater	0.070 mg/L		0.0004	Not approved by regulators	Not exceeded
	Fluoride	Direct emission	1	Outlet of production wastewater	1.110 mg/L		0.0065	Not approved by regulators	Not exceeded
	Total nitrogen	Direct emission	1	Outlet of production wastewater	1.300 mg/L		0.0076	Not approved by regulators	Not exceeded
	SS	Direct emission	1	Outlet of production wastewater	17.000 mg/L	Discharge Standard of Water Pollutants for Electroplating B44/1597-2015	0.0989	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Outlet of domestic sewage	90.000 mg/L	Discharge Limits of Water Pollutants DB44/26-2001	1.9993	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Outlet of domestic sewage	66.000 mg/L		1.4662	Not approved by regulators	Not exceeded
	BOD	Indirect emission	1	Outlet of domestic sewage	24.700 mg/L		0.5487	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Outlet of domestic sewage	40.000 mg/L	No limit set by the standard	0.8886	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Outlet of domestic sewage	5.780 mg/L		0.1284	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	15	Structure workshop, coating workshop	12.825 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	0.3117	Not approved by regulators	Not exceeded
	Manganese and its compounds	Organised emission	6	Structure workshop	ND (not detected)		0	Not approved by regulators	Not exceeded
	SO ₂	Organised emission	8	Coating workshop	12.125 mg/m ³		0.1526	Not approved by regulators	Not exceeded
	NO _x	Organised emission	8	Coating workshop	38.000 mg/m ³		0.3844	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Coating workshop	1.590 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0.0467	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Main outlet of the factory	34.000 mg/L	Integrated Wastewater Discharge Standard GB 8978-1996	0.4090	Not approved by regulators	Not exceeded
	BOD ₅	Indirect emission	1	Main outlet of the factory	62.200 mg/L		0.7489	Not approved by regulators	Not exceeded
COD _{cr}	Indirect emission	1	Main outlet of the factory	149.000 mg/L		1.7941	Not approved by regulators	Not exceeded	
Ammonia nitrogen	Indirect emission	1	Main outlet of the factory	36.800 mg/L		0.4431	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Luoyang CIMC Lingyu Automobile Co., Ltd.	Total phosphorus	Indirect emission	1	Main outlet of the factory	4.120 mg/L		0.0497	Not approved by regulators	Not exceeded
	PH (dimensionless)	Indirect emission	1	Main outlet of the factory	8.6 (dimensionless)		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Coating workshop	3.400 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.0288	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	Coating workshop	1.800 mg/L		0.0487	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	6	Coating workshop and sanding room	22.000 mg/L		0.4531	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	1	Coating workshop	28.000 mg/m ³		0.0059	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Coating workshop	13.270 mg/m ³		0.9428	66.5000	Not exceeded
	Particulate matter ⁴	Organised emission	22	Treatment facilities for cutting and welding fume	3.700 mg/m ³	2020 Industrial Pollution Control Initiative of Luoyang City (Luo Huan Gong Jian Ban [2020] No. 14)	0.6483	Not approved by regulators	Not exceeded
	Particulate matter ¹	Organised emission	11	Drying room of the paint spraying workshop, drying room, powder consolidating room and hot cleaning furnace of the powder spraying line	4.200 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB41/1066-2020) Table 1 Standard	0.0361	Not approved by regulators	Not exceeded
	Sulphur dioxide ¹	Organised emission	11	Drying room of the paint spraying workshop, drying room, powder consolidating room and hot cleaning furnace of the powder spraying line	29.000 mg/m ³		0.0244	1.3800	Not exceeded
	Nitric oxide ¹	Organised emission	11	Drying room of the paint spraying workshop, drying room, powder consolidating room and hot cleaning furnace of the powder spraying line	100.000 mg/m ³		0.3345	5.1300	Not exceeded
	Particulate matter ²	Organised emission	1	Gas furnace of the powder spraying line	1.700 mg/m ³	Boiler Air Pollutant Discharge Standard (DB41/2089-2021)	0.00003	Not approved by regulators	Not exceeded
	Sulphur dioxide ²	Organised emission	1	Gas furnace of the powder spraying line	ND (not detected)		0	1.3800	Not exceeded
	Nitric oxide ²	Organised emission	1	Gas furnace of the powder spraying line	27.000 mg/m ³		0.0004	5.1300	Not exceeded
	Particulate matter ³	Organised emission	8	Paint spraying room, polishing room, sand-blasting room of the paint spraying workshop, shot blasting room and powder spraying room of the powder spraying line	8.300 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996) Table 2 Level II Standard	1.6898	Not approved by regulators	Not exceeded
Non-methane hydrocarbon	Organised emission	3	Paint spraying and drying waste gas treatment facilities of the paint spraying workshop, powder consolidating room and hot cleaning furnace of the powder spraying line	22.356 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating Process (DB41/1951-2020) Table 1 Standard	0.8253	18.5100	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Ammonia nitrogen	Indirect emission	1	Main outlet of wastewater in the factory area	11.289 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.1259	1.2140	Not exceeded
	Phosphate	Indirect emission	1	Main outlet of wastewater in the factory area	2.898 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.0157	Not approved by regulators	Not exceeded
	Petroleum	Indirect emission	1	Main outlet of wastewater in the factory area	0.060 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.0011	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Main outlet of wastewater in the factory area	165.884 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) Table 4 Level III Standard	1.1630	8.9060	Not exceeded
	SS	Indirect emission	1	Main outlet of wastewater in the factory area	14.000 mg/L		0.2337	Not approved by regulators	Not exceeded
	Fluoride	Indirect emission	1	Main outlet of wastewater in the factory area	1.920 mg/L		0.0331	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Main outlet of wastewater in the factory area	7.781 (dimensionless)		-	Not approved by regulators	Not exceeded
	Anionic surfactant	Indirect emission	1	Main outlet of wastewater in the factory area	0.138 mg/L		0.0031	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Main outlet of wastewater in the factory area	26.300 mg/L		0.2685	Not approved by regulators	Not exceeded
Haiyang CIMC Raffles Offshore Ltd.	Xylene	Organised emission	3	Pre-treatment workshop, coating workshop	< 0.0015 mg/m ³	DB37/2801.5-2018 Emission Standard of Volatile Organic Compounds Part V: Surface Coating Industry Table 2	0	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	Pre-treatment workshop, coating workshop	< 0.0015 mg/m ³	Emission Standard Part V: Surface Coating Industry Table 2	0	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	Pre-treatment workshop, coating workshop	< 0.0015 mg/m ³	Surface Coating Industry Table 2	0	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	Pre-treatment workshop, coating workshop	17.900 mg/m ³		1.4750	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	Pre-treatment workshop, coating workshop	2.600 mg/m ³	DB37/2376-2019 Regional Integrated Emission Standard of Air Pollutants Table 1	0.2130	Not approved by regulators	Not exceeded
Yantai CIMC Raffles Offshore Engineering Co., Ltd.	VOCs	Organised emission	5	Coating workshop #1, #4, #5-6, pre-treatment workshop, temporary hazardous waste warehouse	14.100-33.100 mg/m ³	Emission Standard of Volatile Organic Compounds Part V Surface Coating Industry (DB37/2801.5), Emission Standard of Volatile Organic Compounds Part VII Other Industries (DB37/2801.7)	10.8300	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	Coating workshop #1, #2, #3, #4, #5-6 and pre-treatment workshop	1-4.6 mg/m ³	Shandong Provincial Standard Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	1.3237	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Shenzhen CIMC-TianDa Airport Support Ltd.	VOCS	Fugitive emission	-	Dock, wharf and depot	-	Emission Standard of Volatile Organic Compounds Part V Surface Coating Industry (DB37/2801.5)	24.5400	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	Coating workshop #1, #4, #5-6 and pre-treatment workshop	ND (not detected)		-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	Coating workshop #1, #4, #5-6 and pre-treatment workshop	ND (not detected)		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	Coating workshop #1, #4, #5-6 and pre-treatment workshop	ND (not detected)		-	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	2	Coating workshop #5-6	ND (not detected)	Boiler Air Pollutant Discharge Standard of Shandong Province DB37 2374-2018	0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2	Coating workshop #5-6	41.000 mg/m ³		0.0125	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	North of Plant #1, north of Plant #2	0-69 mg/m ³	DB44/21-2001 Time slot II Level II Standard	2.1680	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	North of Plant #1, north of Plant #2	0.171-0.417 mg/m ³		0.1330	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	North of Plant #1, north of Plant #2	0.801-1.320 mg/m ³		0.1600	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	North of Plant #1, north of Plant #2	0.328-3.240 mg/m ³		0.3570	Not approved by regulators	Not exceeded
	Benzene	Fugitive emission	-	Boundary	ND	DB44/21-2001 Table 2 Time Slot II Monitoring Concentration Limits for Fugitive Emissions	-	Not approved by regulators	Not exceeded
	Methylbenzene	Fugitive emission	-	Boundary	ND		-	Not approved by regulators	Not exceeded
	Xylene	Fugitive emission	-	Boundary	ND		-	Not approved by regulators	Not exceeded
	Particulate matter	Fugitive emission	-	Boundary	0.163-0.452 mg/m ³		-	Not approved by regulators	Not exceeded
	Dalian CIMC Logistics Equipment Co., Ltd.	VOCS	Organised emission	3	North of Plant #1, north of Plant #2	5.5-17.4 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry)	2.9200	Not approved by regulators
VOCS		Fugitive emission	-	Boundary	0.290-0.869 mg/m ³		-	Not approved by regulators	Not exceeded
Particulate matter		Organised emission	11	Outside the welding, sand blasting and coating line	16.568 mg/m ³ (average)	Emission Standard of Air Pollutants GB16297	13.1058	Not approved by regulators	Not exceeded
Sulphur dioxide		Organised emission	5	Outside the coating line	0.000 mg/m ³ (average)		0.0000	Not approved by regulators	Not exceeded
Nitric oxide		Organised emission	5	Outside the coating line	1.889 mg/L (average)		0.0030	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
C&C Trucks Co., Ltd.	Noise	-	4	Boundary	Daytime: 53.875 dB; Night: 45.375 dB	Noise Emission Standard for Industrial Enterprises at Boundary (GB12348-90)	-	-	Not exceeded
	Ammonia nitrogen	Indirect emission-Sewage collection pipes	1	South of the factory area	25.200 mg/L	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	2.8411	Not approved by regulators	Not exceeded
	COD	Indirect emission-Sewage collection pipes	1	South of the factory area	236.000 mg/L		26.6070	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission-Sewage collection pipes	1	South of the factory area	0.590 mg/L		0.0665	Not approved by regulators	Not exceeded
	SS	Indirect emission-Sewage collection pipes	1	South of the factory area	33.000 mg/L		3.7205	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission-Sewage collection pipes	1	South of the factory area	46.500 mg/L	GB8978-1996 Integrated Wastewater Discharge Standard	5.2425	Not approved by regulators	Not exceeded
	PH	Indirect emission-Sewage collection pipes	1	South of the factory area	6.9 (dimensionless)		-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Outside the coating line	1.414 mg/m ³ (average)	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating Process DB21 3160-019	0.2511	Not approved by regulators	Not exceeded
	Benzene	Organised emission	4	Outside the coating line	0.075 mg/m ³ (average)		0.0074	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Outside the coating line	1.414 mg/m ³ (average)		0.2511	Not approved by regulators	Not exceeded
	Benzene congeners	Organised emission	4	Outside the coating line	0.157 mg/m ³ (average)		0.0258	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	Gate 1 of the factory	0.760 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.1728	Not approved by regulators	Not exceeded
	Total nickel	Sewage collection pipes	1	Gate 1 of the factory	0.290 mg/L		0.0306	0.14328	Not exceeded
	PH	Sewage collection pipes	1	Gate 1 of the factory	6.87-7.58 (dimensionless)		-	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Gate 1 of the factory	3.355 mg/L		0.3571	1.7116	Not exceeded
	Phosphate	Sewage collection pipes	1	Gate 1 of the factory	2.423 mg/L		0.1438	0.2829	Not exceeded
	Total zinc	Sewage collection pipes	1	Gate 1 of the factory	0.07 mg/L		0.0044	0.1768	Not exceeded
	SS	Sewage collection pipes	1	Gate 1 of the factory	21.000 mg/L		1.9296	Not approved by regulators	Not exceeded
	CODcr	Sewage collection pipes	1	Gate 1 of the factory	83.514 mg/L		8.1417	25.0350	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	VOCs	Organised emission	4	Chassis workshop/vehicle body coating workshop	4.930 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	7.2935	148.0900	Not exceeded
	Methylbenzene	Organised emission	2	Chassis workshop/vehicle body coating workshop	0.530 mg/m ³		0.8325	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	Chassis workshop/vehicle body coating workshop	0.130 mg/m ³		1.2725	Not approved by regulators	Not exceeded
	SO ₂	Organised emission	5	Kinetic energy workshop	< 3 mg/m ³		0.0531	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	Kinetic energy workshop/ frame workshop	< 20 mg/m ³		14.0762	Not approved by regulators	Not exceeded
	Ringelmann emittance	Organised emission	2	Kinetic energy workshop/ frame workshop	< Level 1		-	Not approved by regulators	Not exceeded
	NO _x	Organised emission	5	Chassis workshop/vehicle body coating workshop	56.000 mg/m ³		2.7515	Not approved by regulators	Not exceeded
	Waste gas	Organised emission	3	North, east and west of the factory area	0-0.650 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.0326	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	North, east and west of the factory area	0-0.479 mg/m ³		0.0019	Not approved by regulators	Not exceeded
	Waste gas Xylene	Organised emission	3	North, east and west of the factory area	0.520-2.900 mg/m ³		0.4028	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	3	North, east and west of the factory area					
	Waste gas	Organised emission	4	East and west of the factory area	4.700-48.400 mg/m ³		6.0329	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	East and west of the factory area					
	Domestic sewage COD	Intermittent emission	1	Southwestern corner of the factory area	16.300 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.1025	Not approved by regulators	Not exceeded
	Domestic sewage Animal and vegetable oil	Intermittent emission	1	Southwestern corner of the factory area	0.190 mg/L		0.0012	Not approved by regulators	Not exceeded
	Domestic sewage Total phosphorus	Intermittent emission	1	Southwestern corner of the factory area	0.050 mg/L		0.0003	Not approved by regulators	Not exceeded
Domestic sewage Ammonia nitrogen	Intermittent emission	1	Southwestern corner of the factory area	0.221 mg/L		0.0014	Not approved by regulators	Not exceeded	
PH (domestic sewage)	Intermittent emission	1	Southwestern corner of the factory area	7.100 (dimensionless)		-	Not approved by regulators	Not exceeded	
Domestic sewage BOD ₅	Intermittent emission	1	Southwestern corner of the factory area	5.860 mg/L		0.0368	Not approved by regulators	Not exceeded	
Domestic sewage SS	Intermittent emission	1	Southwestern corner of the factory area	4.600 mg/L		0.0289	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Shijiazhuang Enric Gas Equipment Co., Ltd.	Non-methane hydrocarbon	Organised emission	10	Painting room of each workshop and the temporary storage room for hazardous waste	4.220-11.000 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	1.6820	Not approved by regulators	Not exceeded
	Methylbenzene+Xylene	Organised emission	10	Painting room of each workshop and the temporary storage room for hazardous waste	0.070-3.610 mg/m ³		0.6530	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	38	Heat treatment furnace, curing furnace, heating furnace in painting room, sanding room, putty room, outer polishing machine, etc. of each workshop	2.200-4.900 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.6020	3.6850	Not exceeded
	Nitric oxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room, etc. of each workshop in the factory	19-72 mg/m ³	Shijiazhuang's Three-year Action Plan to Win the Blue Sky Defending War (2018-2020) Shi Zheng Fa [2018] No. 23	3.9390	18.5690	Not exceeded
	Sulphur dioxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room, etc. of each workshop in the factory	1-11 mg/m ³		0.2530	2.8080	Not exceeded
Nantong CIMC Energy Equipment Co., Ltd.	Ammonia nitrogen	Sewage collection pipes	1	The main wastewater outlet in the north of the factory	2.560-23.890 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.0190	0.9410	Not exceeded
	COD	Sewage collection pipes	1	The main wastewater outlet in the north of the factory	15.910-99.810 mg/L		0.1120	5.6460	Not exceeded
	COD	Organised emission	1	Outlet WS01	27.000 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.7090	11.8270	Not exceeded
	Ammonia nitrogen	Organised emission	1	Outlet WS01	3.440 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015	0.1310	1.1920	Not exceeded
	Xylene	Organised emission	4	Low-temperature workshop (painting room, drying room), tank truck workshop (painting room, drying room), gas bottle production workshop (winding, solidification)	0.071 mg/m ³	Emission Standard of Volatile Organic Compounds for Chemical Industry in Jiangsu Province DB32/3151-2016	0.1460	1.3200	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Low-temperature workshop (painting room, drying room), tank truck workshop (painting room, drying room), gas bottle production workshop (winding, solidification)	1.723 mg/m ³		0.4110	2.4490	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission Method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
CIMC Safeway Technologies Co., Ltd.	Methylbenzene	Organised emission	4	Low-temperature workshop (painting room, drying room), tank truck workshop (painting room, drying room), gas bottle production workshop (winding, solidification)	0.123 mg/m ³		0.0510	0.1230	Not exceeded
	Particulate matter	Organised emission	3	Low-temperature sand blasting room (#1 & 2), tank truck sand blasting room	3.250 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.5280	1.5090	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of the company	1.900 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.1120	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of the company	36.000 mg/L	GB8978-1996	1.2000	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Main outlet of the company	40.800 mg/L		1.3000	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Main outlet of the company	0.040 mg/L		0.0040	Not approved by regulators	Not exceeded
	BOD	Sewage collection pipes	1	Main outlet of the company	1.500 mg/L		0.0690	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Main outlet of the company	8.000 mg/L		0.5470	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Outlet of the spray coating chimney	5.600 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.4900	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	Outlet of the spray coating chimney	0.012 mg/m ³		0.0090	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Outlet of the spray coating chimney	0.086 mg/m ³		0.0180	Not approved by regulators	Not exceeded

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Construction and operation of pollution prevention and control facilities

Yangzhou Tonglee Reefer Container Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

- (1) 1 set of primer paint, intermediary paint, hazardous waste depot waste gas VOCs concentration runner + CO with a treatment capacity of 150,000 m³/h.
- (2) 1 set of container interior paint, container exterior paint, repainting room, asphalt paint waste gas VOCs concentration runner + CO, with a treatment capacity of 150,000 m³/h.
- (3) 2 sets of sanding waste gas with "gravity dust removal+ cyclone dust removal+ filter dust removal", with a treatment capacity of 50,000 m³/h.
- (4) The total assembly 1# and 2# wire welding fume is discharged after treated by the fixed welding fume dedusting device.
- (5) Other welding fumes are discharged after treated by 28 mobile welding fume dedusting devices.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Yangzhou Runyang Logistics Equipment Co., Ltd.

Industrial sewage:

1 set of industrial wastewater treatment facilities, with a treatment capacity of 40 t/d; the wastewater is recycled after treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of pre-treatment VOCs concentration runner + RTO facilities, with a treatment capacity of 80,000 m³/h; 2 sets of pre-treatment dust removal facilities, with a treatment capacity of 105,000 m³/h.
- (2) 2 sets of standard container sanding room dust removal facilities, with a treatment capacity of 80,000 m³/h.
- (3) welding dust removal facilities for standard container No.1, with a treatment capacity of 38,000 m³/h; 1 set of welding dust removal facilities for standard container No.2, with a treatment capacity of 48,000 m³/h; 1 set of welding dust removal facilities for standard container No.3, with a treatment capacity of 15,000 m³/h; and 1 set of welding dust removal facilities for standard container No.4, with a treatment capacity of 15,000 m³/h.
- (4) 1 set of standard container sanding room-light-tight room dust removal facilities, with a dust removal capacity of 35,000 m³/h.
- (5) 1 set of standard container VOCs primer paint pre-painting, drying, asphalt room facilities, with a treatment capacity of 100,000 m³/h; 1 set of standard container VOCs intermediary paint room facilities, with a treatment capacity of 200,000 m³/h; 1 set of standard container VOCs drying facilities, with a treatment capacity of 170,000 m³/h; and 1 set of standard container VOCs exterior paint facilities, with a treatment capacity of 170,000 m³/h.
- (6) 1 set of special container A line sanding room dust removal facilities, with a treatment capacity of 50,000 m³/h; 1 set of special container A line welding dust removal facilities, with a treatment capacity of 38,000 m³/h; 1 set of special container A line VOCs primer paint and interior container facilities, with a treatment capacity of 105,000 m³/h; 1 set of special container A line VOCs intermediary paint and exterior container facilities, with a treatment capacity of 115,000 m³/h; and 1 set of special container A line VOCs asphalt facilities, with a treatment capacity of 35,000 m³/h.
- (7) 1 set of special container B line second sanding facilities, with a treatment capacity of 50,000 m³/h.
- (8) 1 set of special container C line VOCs catalytic combustion facilities, with a treatment capacity of 100,000 m³/h.

Currently, all the said facilities are in normal operation.

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Dongguan Southern CIMC Logistic
Equipment Manufacturing Co., Ltd.

Hazardous waste:

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

Industrial sewage:

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

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) The first phase has 4 sets of organic waste gas facilities, of which the primer paint adopts filter cotton + runner adsorption + RTO, with a treatment capacity of 200,000 m³/h; the exterior paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 250,000 m³/h; intermediary paint/interior paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 200,000 m³/h; the black paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 100,000 m³/h.
- (2) The second phase has 2 sets of organic waste gas facilities, all of which adopt filter cotton + water spray + biological trickling tower, with a total treatment capacity of 575,000 m³/h.
- (3) The first phase has 4 sets of sanding dust exhaust gas facilities: cyclone + filter element (cylinder), with a treatment capacity of 364,000 m³/h.
- (4) The second phase has 2 sets of sanding dust exhaust gas facilities: cyclone + filter element (cylinder), with a treatment capacity of 220,000 m³/h.
- (5) The first phase has 4 sets of welding fume exhaust gas facilities: electrostatic dust removal, with a treatment capacity of 244,000 m³/h; the second phase has 4 sets of welding fume exhaust gas facilities: electrostatic dust removal, with a treatment capacity of 200,000 m³/h.
- (6) The first phase has 1 set of industrial wastewater odor treatment facilities: water spray + UV photolysis, with a treatment capacity of 15,000 m³/h.
- (7) 2 sets of components and parts processing organic waste gas treatment facilities: filter cotton + runner adsorption + RTO, with a treatment capacity of 220,000 m³/h.

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- (8) 3 sets of components and parts sanding dust exhaust gas treatment facilities: cyclone + filter element (cylinder), with a treatment capacity of 375,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

Qingdao CIMC Special Reefer Co., Ltd.

Industrial sewage:

The company establishes 1 set of coating and painting wastewater treatment facilities with a capacity of 50 t/d; wastewater is reused after the treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of panel, small parts glue spray VOCs zeolite runner +RTO facilities with a treatment capacity of 60,000 m³/h.
- (2) 1 set of coating and painting VOCs zeolite runner +RTO facilities with a treatment capacity of 240,000 m³/h.
- (3) 1 set of multiple cyclone + filter bags dust-removing facilities in container sanding with a treatment capacity of 80,000 m³/h.
- (4) 2 sets of multiple cyclone + filter bags dust-removing facilities in container sandblasting with a treatment capacity of 50,000 m³/h.
- (5) 2 sets of multiple cyclone + filter bags dust-removing facilities for cleaning container, with a treatment capacity of 50,000 m³/h.
- (6) 4 sets of filter plate dust-removing facilities for welding dust removal, with three have a treatment capacity of 40,000 m³/h and one has 57,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Qingdao CIMC Reefer Container
Manufacture Co., Ltd.

Industrial sewage:

1 set of sewage treatment facilities with a treatment capacity of 100 t/d, with 95% of wastewater is reused after the treatment and 5% is discharged to the external environment after the treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 4 sets of multi-tube cyclone+ filter bags dust-removing facilities for sandblasting waste gas pre-treatment, with a treatment capacity of 25,000 m³/h, emission through four 15m exhaust pipes.
- (2) 4 sets of multi-tube cyclone+ filter bags dust-removing facilities for container sandblasting waste gas treatment, with a treatment capacity of 80,000 m³/h, emission through four 15m exhaust pipes.
- (3) 1 set of multi-tube cyclone+ filter bags dust-removing facilities for container sandblasting cleaning room waste gas treatment, with a treatment capacity of 50,000 m³/h, emission through one 15m exhaust pipe.
- (4) 1 set of activated carbon+ catalytic combustion facilities for top spray-painting waste gas treatment, with a treatment capacity of 180,000 m³/h, emission through one 17m exhaust pipe.
- (5) 1 set of zeolite runner+ RTO facilities for primer paint spraying waste gas treatment, with a treatment capacity of 120,000 m³/h, emission through one 17m exhaust pipe.
- (6) 1 set of filter barrel dust collector facilities for front and rear frames welding waste gas treatment, with a treatment capacity of 40,000 m³/h, emission through one 17m exhaust pipe.
- (7) 1 set of multi-tube cyclone+ filter bags dust-removing facilities for sandblasting room waste gas treatment, with a treatment capacity of 50,000 m³/h, emission through one 15m exhaust pipe.
- (8) 1 set of activated carbon+ catalytic combustion facilities for door panel coating and painting waste gas treatment, with a treatment capacity of 60,000 m³/h, emission through one 15m exhaust pipe.
- (9) 1 set of multi-tube cyclone+ filter bags dust-removing facilities for door panel sandblasting waste gas treatment, with a treatment capacity of 15,000 m³/h, emission through one 15m exhaust pipe.

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- (10) 2 sets of filter bags dust-removing facilities for chassis welding waste gas treatment, with a treatment capacity of 30,000 m³/h and 40,000 m³/h, respectively, emission through two 15m exhaust pipes.
 - (11) 1 set of activated carbon + catalytic combustion facilities for intermediate spray-painting waste gas treatment, with a treatment capacity of 200,000 m³/h, emission through one 17m exhaust pipe.
 - (12) 1 set of activated carbon + catalytic combustion facilities for spray mark waste gas treatment, with a treatment capacity of 70,000 m³/h, emission through one 15m exhaust pipe.
 - (13) 1 set of zeolite runner + RTO facilities for painting and coating waste gas pre-treatment, with a treatment capacity of 60,000 m³/h, emission through one 17m exhaust pipe.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

Guangdong Xinhui CIMC Special
Transportation Equipment Co., Ltd.

Industrial sewage:

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

Currently, the facilities are in normal operation.

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Industrial exhaust:

- (1) 2 sets of pre-treatment organic waste gas dry (wet) painting mist removal + zeolite runner adsorption + catalytic oxidation facilities, with a treatment capacity of 130,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (2) 1 set of C-line organic waste gas spray + dry filter cotton + activated carbon adsorption facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (3) 4 sets of B-line organic waste gas + spray tower + filter cotton filtration + multiphase catalytic oxidation facilities, with a treatment capacity of 710,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (4) 13 sets of sanding dust (particulate matter) control facilities: bag dust collectors + water spray, with a treatment capacity of 597,987 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (5) Welding fume treatment facilities (12 sets), with a treatment capacity of 339,390 m³/h. The dust collecting hood is used to cover the concentrated area of the welding. The natural lifting force of the high-heat soot and the negative suction of the fan are used to control the welding fumes in the coverage area for centralized collection. The collected soot is treated by a plate filter and emitted after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Xinhui CIMC Container Co., Ltd.

Industrial sewage:

- (1) 1 set of industrial sewage treatment facilities with a treatment capacity of 1,200 t/d; wastewater is recycled after the treatment, with no external emission.
- (2) 1 set of domestic sewage treatment facilities with a treatment capacity of 4,500 t/d, which will be discharged into the inner river in the northwest of the factory area after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) The VOCs exhaust gas is passed through water spray + dry filter cotton + activated carbon adsorption facilities (4 sets), with a treatment capacity of 320,800 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (2) Sanding dust control facilities (2 sets): bag dust collectors + water spray, with a treatment capacity of 139,200 m³/h, emission after treatment in compliance with standards.
- (3) Boiler flue gas treatment facilities (1 set): SNCR + cyclone dust collectors + bag dust collectors, with a treatment capacity of 36,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (4) 14 sets of welding fume treatment facilities with a treatment capacity of 380,582 m³/h. The dust collecting hood is used to cover the concentrated area of the welding. The natural lifting force of the high-heat soot and the negative suction of the fan are used to control the welding fumes in the coverage area for centralized collection. The collected soot is treated by a plate filter and emitted through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Qingdao CIMC Container Manufacture Co., Ltd.

Industrial sewage:

The company establishes 1 set of industrial sewage treatment facilities, with a treatment capacity of 120 t/d. Most of the wastewater is reused after the treatment, and a small part of the wastewater is discharged through the sewage collection pipes after treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of pre-treatment painting VOCs RTO facilities, with a treatment capacity of 35,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (2) 3 sets of container painting line VOCs "activated carbon adsorption/desorption + catalytic combustion" facilities, with a treatment capacity of 120,000 m³/h (1 set), 140,000 m³/h (2 sets), emission through exhaust pipes after treatment in compliance with standards.
- (3) 1 set of container painting line VOCs "molecular sieve adsorption/desorption + catalytic combustion" facilities, with a treatment capacity of 140,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (4) 1 set of container painting line VOCs "runner adsorption concentration + RTO" facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (5) 4 sets of pre-treatment sanding line particulate matter emission "cyclone filter barrel dust collector + water curtain dust collector" facilities, with a treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (6) 1 set of pre-treatment sanding line particulate matter emission "cyclone filter barrel dust collector+ water curtain dust collector" facilities, with a treatment capacity of 60,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (7) 4 sets of container sanding line particulate matter emission "cyclone filter barrel dust collector + water curtain dust collector" facilities, with a treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
- (8) 1 set of container sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with a treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

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

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

Zhangzhou CIMC Container Co., Ltd.

Industrial sewage:

The company establishes 1 set of painting wastewater treatment facilities, with a treatment capacity of 20 t/d. Wastewater is reused after the treatment in compliance with standards, with no external emission of production wastewater.

Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 4 sets of pre-treatment sanding line particulate matter "cyclone filter barrel dust collector" facilities, with a treatment capacity of 100,000 m³/h each.
- (2) 3 sets of pre-treatment organic waste gas "activated carbon adsorption" facilities, with a treatment capacity of 15,000 m³/h each.
- (3) 3 sets of container sanding line particulate matter "cyclone filter barrel dust collector" facilities, with a treatment capacity of 100,000 m³/h each.
- (4) 3 sets of container painting line organic waste gas "Venturi spray tower" facilities, with a treatment capacity of 55,000 m³/h each.
- (5) 1 set of special container sanding line particulate matter "cyclone filter barrel dust collector" facilities, with a treatment capacity of 100,000 m³/h each.
- (6) 3 sets of special container painting line organic waste gas "Venturi spray tower + activated carbon adsorption" facilities, with a treatment capacity of 25,000 m³/h each.

All the said waste gas is emitted through exhaust pipes after treatment in compliance with standards. Currently, all the said facilities are in normal operation.

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Hazardous waste:

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

Tianjin CIMC Containers Co., Ltd.

Industrial sewage:

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

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of thick plate and section steel pre-treatment line VOCs control facilities: "zeolite runner adsorption concentration + RTO" facilities, with a treatment capacity of 54,000 m³/h.
 - (2) 1 set of thin plate pre-treatment line VOCs control facilities: "RTO" treatment facilities, with a treatment capacity of 18,000 m³/h.
 - (3) 3 sets of painting line VOCs control facilities: "water scrubber +activated carbon adsorption and desorption + catalytic combustion" facilities, with a total treatment capacity of 420,000 m³/h.
 - (4) 1 set of special container line coating VOCs "dry filtration +RTO" treatment facilities, with a treatment capacity of 55,000 m³/h.
- 11 sets of sanding and dust-removing "tier 1 settling box + multiple cyclone dust collector+ bag dust collectors " treatment facilities, with a total treatment capacity of 443,000 m³/h.
- (5) 1 set of special container sanding and dust-removing "tier 1 settling box + filter barrel dust collector" treatment facilities, with a total treatment capacity of 40,000 m³/h.
 - (6) 1 set of workshop sanding and dust-removing "tier 1 settling box + filter barrel dust collector" treatment facilities, with a total treatment capacity of 40,000 m³/h.
 - (7) 18 sets of welding fume "stationary collecting hood+soft curtain collection+ filter dust-removing" treatment facilities, with a total treatment capacity of 288,000 m³/h.
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Ningbo CIMC Logistics Equipment Co., Ltd.

(8) 2 sets of boiler treatment facilities: low-nitrogen combustion devices.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

Industrial sewage:

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

Industrial exhaust:

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

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Taicang CIMC Containers Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

- (1) 3 sets of painting line water rotary spray + filter cotton + activated carbon adsorption device, with a treatment capacity of 120,000 m³/h each.
- (2) 4 sets of welding line filter dust removal facilities; the total installed capacity is 15,000 m³/h, with the rear treatment capacity being 47,000 m³/h, the chassis treatment capacity being 31,000 m³/h, and the side panel treatment capacity being 21,000 m³/h.
- (3) 1 set of pre-treatment multi-tube cyclone + filter dust removal facilities, with a treatment capacity of 40,000 m³/h.

The said waste gas is emitted through exhaust pipes after treatment in compliance with standards. Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Nantong CIMC Special Transportation
Equipment Manufacture Co., Ltd.

Industrial sewage:

1 set of waste water treatment facilities with capacity of 600 t/d; the wastewater is discharged to the municipal sewage network after the treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

I. VOCs

- (1) Pre-treatment line : 1 set of VOCs activated carbon adsorption + desorption+ solvent recovery facilities, with a treatment capacity of 80,000 m³/h.
- (2) Nante Line : 1 set of VOCs zeolite runner + catalytic combustion facilities and 1 set of zeolite runner + RTO combustion facilities, with a treatment capacity of 290,000 (100,000+190,000) m³/h; 1 set of VOCs zeolite molecular runner + RTO combustion facilities, with a treatment capacity of 380,000 m³/h.
- (3) Shunda Line : 1 set of VOCs zeolite molecular runner + RTO combustion facilities, with a treatment capacity of 330,000 m³/h.

II. Particulate matter

- (1) Pre-treatment line : 4 sets of sanding dust-removing filter facilities, with a treatment capacity of (33,000*4) m³/h.
- (2) Nante Line : 2 sets of facilities with full container sanding dust-removing filter, with a treatment capacity of (50,000*2) m³/h; 2 sets of facilities with welding dust-removing filter, with a treatment capacity of (85,000*2) m³/h.
- (3) Shunda Line: 1 set of facilities with full container sanding dust-removing filter, with a treatment capacity of 80,000 m³/h; 1 set of facilities with welding dust-removing filter, with a treatment capacity of 30,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Shanghai CIMC Baowell Industries
Co. Ltd.

Industrial sewage:

1 set of industrial wastewater treatment facilities, with a treatment capacity of 60 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of pre-treatment VOCs exhaust RTO facilities, with a treatment capacity of 36,000 m³/h.
- (2) 1 set of Zinc-rich paint zeolite runner + RTO facilities, with a treatment capacity of 101,000 m³/h.
- (3) 1 set of exterior paint zeolite runner + RTO facilities, with a treatment capacity of 100,000 m³/h.
- (4) 1 set of intermediary and interior paint VOCs waste gas RTO facilities, with a treatment capacity of 91,000 m³/h.
- (5) 5 sets of pre-treatment dust-removing filters, with a treatment capacity of 149,000 m³/h.
- (6) 4 sets of second-time sanding dust filters, with a treatment capacity of 258,000 m³/h.
- (7) 12 sets of welding fumes dust-removing filters, with a treatment capacity of 664,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Shanghai CIMC Yangshan Logistics Equipments Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

- (1) 4 sets of waste gas treatment facilities, with spiral water painting mist removal treatment system + filtration + activated carbon adsorption + steam desorption + condensation recovery treatment, a total of 350,000 (Nm³/h), emission through 30m exhaust pipes after treatment in compliance with standards.
- (2) 5 sets of pre-treatment dust control facilities: organised emission, 1 outlet (combined).
- (3) 3 sets of second-time sanding dust control facilities: organised emission, 3 outlets.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

CIMC Taicang Refrigeration Equipment Logistics Co., Ltd.

Industrial sewage:

The company establishes a wastewater treatment system, adopting the treatment process of "vertical sedimentation + advection flotation + anaerobic tower + lack of/aerobic pool + MBR membrane pool + ozone catalytic oxidation + ultrafiltration + reverse osmosis (three-effect evaporation)" design, with a treatment capacity of 100 t/d. Wastewater is recycled and reused after treatment, with no external emission. Currently, the facilities are in normal operation.

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Industrial exhaust:

- (1) 9 sets of cyclone dust removal + bag dust collectors in total, with a treatment capacity of 45,000 m³/h (1 set), 50,000 m³/h (7 sets) and 20,000 m³/h (1 set), respectively.
- (2) 2 sets of bag dust collectors in total, with a treatment capacity of 20,000 m³/h.
- (3) 3 sets of filter cotton + bag dust collectors + secondary activated carbon adsorption facilities (activated carbon supporting catalytic combustion device) with a treatment capacity of 70,000 m³/h (1 set), 30,000 m³/h (1 set) and 28,000 m³/h (1 set), respectively.
- (4) 1 set of water rotary paint mist filter+ paint mist filter + precision multi-level filter + zeolite molecular runner + RTO facilities, with a treatment capacity of 110,000 m³/h.
- (5) 1 set of bag dust collectors + paint mist filter + molecular sieve rotor concentration + RTO device, with a treatment capacity of 65,000 m³/h.
- (6) 2 sets of water rotary paint mist filter+ filter cotton+ secondary washing + activated carbon adsorption +catalytic combustion treatment facilities, with a treatment capacity of 220,000 m³/h.
- (7) 1 set of cardboard box type filter+ filter cotton+ secondary washing + activated carbon adsorption +catalytic combustion treatment facilities, with a treatment capacity of 50,000 m³/h.
- (8) 1 set of UV catalytic oxidation+ activated carbon adsorption treatment facilities, with a treatment capacity of 2,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Taicang CIMC Special Logistics
Equipment Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

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

The said waste gas is emitted through exhaust pipes after treatment in compliance with standards. Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd.

Industrial sewage:

- (1) 3 sets of sewage treatment system, including 1 set of semi-trailer electrophoresis wastewater treatment facilities, with the maximum capacity of treating wastewater with phosphorus and heavy metal being 4.5 m³/h and the maximum capacity of treating wastewater without phosphorus and heavy metal being 8 m³/h. Wastewater with phosphorus and heavy metal is pre-treated by secondary coagulation-sedimentation; wastewater without phosphorus and heavy metal is pre-treated by coagulation-sedimentation + flotation. Pre-treated industrial wastewater and domestic sewage is discharged to the municipal network after the anaerobic process + aerobic process + membrane bioreactor (MBR) treatment in compliance with pipe incorporation standards.
- (2) 1 set of semi-trailer factory coating wastewater treatment system, with a designed capacity of 2 m³/h. Wastewater is recycled to the painting room after being treated with solvent and discharged regularly after the treatment in compliance with standards.
- (3) 1 set of tank truck factory coating wastewater treatment system, the wastewater with heavy metal after flocculent precipitation process and the wastewater without heavy metal after PH adjustment + precipitation process will be treated together with "flotation + hydrolyze acidification + contact oxidation + precipitation" process, and discharged by pipelines after the treatment in compliance with standards, with a designed capacity of 40 t/d.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 6 sets of sanding waste gas dust removal facilities, with cyclone dust removal + filter barrel dust removal process; the air speed at the inlet of cyclone dust collector is 18–22 m/s; the air speed of filter barrel dust collector is 0.85 m/min; the filtration precision is 5–10 μm.
- (2) 3 sets of painting and paint refinishing waste gas activated carbon adsorption + catalytic combustion facilities, adopting the activated carbon adsorption + catalytic combustion process, with each having a designed air treatment volume of 120,000 m³/h.
- (3) 32 sets of dust removal devices for welding waste gas treatment, adopting the mobile welding dust removal device to treat welding and polishing.
- (4) 2 sets of hazardous waste warehouse activated carbon adsorption devices.
- (5) 2 sets of canteen fume purification devices, adopting the fume purification device to treat the canteen fume.

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- (6) 2 sets of bathroom natural gas boilers installed with low-nitrogen combustion devices.
 - (7) 1 set of phosphorus waste gas purification device, adopting the waste gas washing tower to treat waste gas, with an air treatment volume of 25,000 m³/h, filtration speed of 1.8–2 m/s and the treatment efficiency of 95%.
 - (8) 1 set of electro-coating waste gas purification device, emitting the waste gas collected by the suction hood after the treatment of waste gas washing tower, with an air treatment volume of 25,000 m³/h, filtration speed of 1.8–2 m/s and the treatment efficiency of 90%.
 - (9) 1 set of electro-drying waste gas catalytic combustion device, adopting the catalytic combustion process, with a designed air treatment volume of 4,000 Nm³/h.
 - (10) 1 set of powder solidification waste gas filter cotton + activated carbon adsorption device, adopting the filter cotton + activated carbon adsorption process, with the filtration area of the filter cotton filtration system being 4.4 m² and the thickness of 50 mm, the filtration area of activated carbon adsorption system being 204.4 m² and the filter layer of 200 mm.
 - (11) 1 set of acid washing waste gas purification facilities, adopting waste gas purification tower to treat waste gas, with an air treatment volume of 25,000 m³/h and the treatment efficiency of 90%.
 - (12) 1 set of natural gas hot water boilers for heating of degreasing and zirconization tanks installed with low-nitrogen combustion devices.
 - (13) 1 set of powder curing waste gas catalytic combustion facilities, adopting the catalytic combustion process, with a designed air treatment volume of 1,500 Nm³/h.
 - (14) 1 set of putty polishing waste gas filtering facilities, adopting secondary filtration (filter cotton + filter bag) process, with the filtration efficiency of approximately 90%.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds 8 hazardous waste temporary storerooms in accordance with the relevant requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597–2001), with the floor hardened and treated to prevent any infiltration and cofferdams established around the warehouse to avoid any outward leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels on site. Currently, all the said facilities are in normal operation.

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Zhumadian CIMC Huajun Vehicle Co., Ltd.

Industrial sewage:

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

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of plasma gas cutting dust collection and treatment facilities, each with a treatment capacity of 6,000 m³/h; 10 sets of robotic welding fume collection and treatment facilities, each with a treatment capacity of 5,000 m³/h; 1 set of frame line welding fume collection and treatment facilities, with a treatment capacity of 8,000 m³/h; 1 set of lifting welding robot welding fume collection and treatment facilities, with a treatment capacity of 8,000 m³/h. 2 sets of carving and trimming line robot welding fume collection and treatment facilities, each with a treatment capacity of 10,000 m³/h; adopting the filter cartridge dust removal process.
- (2) 8 sets of sanding dust collection and treatment facilities, each with a treatment capacity of 80,000 m³/h, adopting the bag dust collecting process.
- (3) 1 set of electrophoresis tank organic waste gas collection and treatment facilities, with a treatment capacity of 35,000 m³/h, adopting the activated carbon adsorption process; 1 set of electro-drying organic waste gas catalytic combustion treatment facilities, with a treatment capacity of 10,000 m³/h, adopting the catalytic combustion process.
- (4) 1 set of powder coating waste gas treatment facilities, with a treatment capacity of 30,000 m³/h, adopting the UV photo-oxidation + activated carbon adsorption process.
- (5) 11 sets of manual painting waste gas catalytic combustion treatment facilities, each with a treatment capacity of 110,000–170,000 m³/h, adopting the activated carbon adsorption + catalytic combustion desorption process.

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- (6) 1 set of manual painting washing + activated carbon adsorption treatment facilities, each with a treatment capacity of 150,000 m³/h, adopting the washing + activated carbon adsorption process;

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

Liangshan CIMC Dongyue Vehicle Co., Ltd.

Industrial sewage:

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

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of catalytic combustion equipment, with the designed air volume of 200,000 m³/h; Process: water rotation, filter cotton filtration, activated carbon adsorption, catalytic combustion, exhaust gas is discharged at an altitude of 15m or more in accordance with national standards.
- (2) Welding fume is treated by mobile welding fume purifiers.

Currently, all the said facilities are in normal operation.

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Hazardous waste:

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

Currently, all the said facilities are in normal operation.

CIMC Vehicles (Liaoning) Co., Ltd.

Industrial sewage:

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

Currently, all the said facilities are in normal operation.

Industrial exhaust:

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

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Qingdao CIMC Eco-Equipment Co., Ltd. Industrial sewage:

- (1) Production wastewater: 1 set of painting pre-treatment wastewater treatment facilities, with a treatment capacity of 40 t/d, adopting the wastewater tank – reaction tank – sedimentation tank – reverse neutralization – intermediary adjusting tank – biological aeration – deep precipitation – filtration intermediary tank – activated carbon filtration – sludge tank – pressure filter; the wastewater is reused internally after the treatment.
- (2) Domestic wastewater: it is discharged to the municipal network after pre-treated by the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

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

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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

Industrial sewage:

- (1) Industrial sewage: 1 set of industrial sewage treatment facilities, adopting the micro electrolysis + flotation + precipitation reverse osmosis + adsorption filtration process. The maximum treatment capacity is 60 t/d, the wastewater to be adopted by painted items of the painting line will be reused after the treatment, with no external emission.
- (2) Domestic wastewater: 1 set of domestic sewage treatment facilities, wastewater is discharged to the municipal wastewater treatment plant after initial treatment.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 4 sets of organic waste gas deep treatment facilities, adopting the dry paint mist filter + activated carbon adsorption concentration + hot air desorption catalytic combustion process, each with a designed treatment air volume of 100,000 m³/h.
- (2) 3 sets of welding dust removal facilities, with a designed treatment air volume of 24,000 m³/h, 220,000 m³/h and 7,680 m³/h, respectively, all adopting the filter cartridge dust removal process.
- (3) 1 set of sanding dust removal facilities, with a designed treatment air volume of 20,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds a hazardous waste warehouse, with the floor hardened and treated to prevent infiltration and setting an integral oil drip pan on the floor. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels on sites. Currently, the facilities are in normal operation.

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Wuhu CIMC RuiJiang Automobile Co., Ltd.

I. Industrial sewage:

- (1) 1 pre-treatment system for powder spraying of liquid tank trucks has been built with a treatment capacity of 5t/h, adopting the "sedimentation + air flotation + acidification + biological oxidation" process. After the treatment, the reclaimed water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8678-1996), and is discharged into the general sewage treatment plant in the plant area.
- (2) 1 wastewater pre-treatment station for mixer trucks has been built with the treatment capacity of 100 m³/d, adopting the "reaction + high efficiency sedimentation + flotation + hydrolyze acidification + contact oxidation + precipitation" process. After the treatment, the water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the general wastewater treatment station of the plant.
- (3) 1 integrated wastewater treatment station has been built with the treatment capacity of 300 t/d. The industrial wastewater is treated by "microelectrolysis + flotation", and then, together with domestic wastewater, treated by "anaerobic + aerobic + sedimentation + adsorptive precipitation" process. After the treatment, the water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to Chengnan Wastewater Treatment Plant through the municipal network.

II. Domestic sewage:

1 set of domestic sewage treatment facilities has been built, and the domestic sewage is discharged to the Wuhu Chengnan Sewage Treatment Plant after being treated by the "anaerobic + aerobic + precipitation + adsorption precipitation" process.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) 2 sets of VOCs treatment facilities, 1 set with a designed air treatment volume of 100,000 m³/h, 1 set with a designed air treatment volume of 40,000 m³/h, adopting the "spray + UV photocatalytic + activated carbon adsorption" process.
- (2) 1 set of powder solidification exhaust treatment facilities, with a designed air treatment volume of 15,000 m³/h, adopting the "activated carbon adsorption" process.
- (3) 10 sets of stationary welding fume treatment facilities, with a designed air treatment volume of 4,500 m³/h, adopting the "filter cartridge dust removal" process.
- (4) 1 set of acid washing exhaust treatment facilities, with a designed air treatment volume of 3,500 m³/h, adopting the "alkaline absorption" process.
- (5) 1 set of sandblasting exhaust treatment facilities, with an air treatment volume of 1,638 m³/h, adopting the "filter cartridge dust removal" process.
- (6) 1 set of organic exhaust treatment facilities, which adopts the treatment process of "pre-treatment + activated carbon adsorption and desorption + catalytic combustion", and the air treatment volume is 3,000 Nm³/h.
- (7) 1 set of acid mist purification tower, which is treated by the "alkaline spray + packing tower + mist eliminator" process, and the treated air volume reaches 10 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

Currently, all the said facilities are in normal operation.

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CIMC Vehicles (Shandong) Co., Ltd.

Industrial sewage:

- (1) Production wastewater: The industrial wastewater treatment station with a treatment capacity of 2.08 m³/h, adopts the “electrooxidation + flotation + biochemical reaction + sedimentation + sand filtration” process. After the treatment, the wastewater that meets the reclaimed water standards will be reused in the water rotation process of the painting line, with no external discharge.
- (2) Domestic wastewater: The domestic sewage treatment station with a treatment capacity of 2.5 m³/h, adopts the process of “physicochemical + biochemical, with the biochemical process as the primary technology”. After the treatment, the wastewater that meets the Grade-A standard of the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) is discharged to the municipal network, and ultimately treated deeply by Everbright Water (Zhangqiu) Operating Limited.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of catalytic combustion facilities, with a designed air treatment volume of 60,000 m³/h and 80,000 m³/h respectively, adopting the activated carbon adsorption + catalytic combustion process.
- (2) 1 set of four-layer filtration + zeolite runner adsorption and desorption + RTO facilities, with a designed air treatment volume of 70,000 m³/h, adopting four-layer filtration + zeolite runner adsorption and desorption + RTO process.
- (3) 1 set of UV photocatalytic purification facilities, with a designed air treatment volume of 20,000 m³/h, adopting the UV photocatalytic purification process.
- (4) 2 sets of filter cartridge dust removal facilities, with a designed air treatment volume of 10,000 m³/h and 1,500 m³/h, adopting the filter cartridge filtration process.
- (5) 2 sets of low-nitrogen combustion facilities, with the rated power of 0.7 MW and 1.4 MW, adopting the low-nitrogen combustion process.
- (6) 2 sets of drying exhaust treatment facilities, each with the rated power of 0.75 MW, adopting the direct combustion process.
- (7) 1 set of cutting dust treatment facilities, with the rated power of 22KW and the air volume of 20,000 m³/h, adopting the bag central treatment process.

Currently, all the said facilities are in normal operation.

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Shenzhen CIMC Special Vehicle Co., Ltd.

Hazardous waste:

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

Industrial sewage:

- (1) Production wastewater: 1 set of silane pre-treatment treatment system, with the treatment capacity of 40 t/d, adopting the integrated treatment facilities of "sedimentation + flotation + A/O biochemical process + RO filtration + evaporation". After the treatment, the reclaimed water is reused when meeting the limit set out in Standard III of Environmental Quality Standard for Surface Water (GB3838-2002) or the limit set out in the washing water standard of the Reuse of Urban Recycling Water- Water Quality Standard for Industrial Uses (GBT19923-2005), which is stricter, to be used in the pre-treatment process of the coating workshop, with no external emission.
- (2) Domestic sewage: It is discharged to Shangyang Wastewater Treatment Plant through the municipal network after sedimentation through the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of welding fume treatment facilities, each with a designed air treatment volume of 50,000 m³/h, adopting the electrostatic adsorption process.
- (2) 1 set of sanding dust collection and treatment facilities, with a designed air treatment volume of 72,000 m³/h, adopting the cyclone + filter cartridge dust removal process.
- (3) 1 set of powder drying exhaust catalytic combustion facilities, with a designed air volume of 8,500 m³/h, adopting the catalytic combustion process.
- (4) 1 set of activated carbon adsorption facilities for powder hot clean exhaust gas, with a designed air volume of 3,000 m³/h, adopting the activated carbon adsorption process.
- (5) 1 set of powder drying exhaust adsorption facilities, each with a designed air volume of 15,000 m³/h, adopting the activated carbon adsorption process.

Currently, Facilities (1)-(4) are in normal operation, while Facility (5) is out of service.

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Hazardous waste:

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

Qingdao CIMC Special Vehicle Co., Ltd.

Industrial sewage:

Production wastewater: 1 set of painting wastewater treatment system, with the treatment capacity of 40 t/d. After the flocculation precipitation, the wastewater is reused in the water rotation of the painting room, with no external emission. Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of zeolite runner + catalytic oxidation facilities for the painting line, each with a designed air treatment volume of 60,000 m³/h, adopting the zeolite runner + catalytic oxidation process, with the painting exhaust to be emitted after meeting relevant standards.
- (2) 3 sets of filter cartridge dust removal facilities for the painting line, each with a designed air treatment volume of 20,000 m³/h, with the sanding, OK station, pre-treatment particulate matter to be emitted when meeting the standards after the treatment of dust collector.
- (3) The laser cutting machine in the blanking workshop is equipped with 1 set of dust collection device.
- (4) 86 sets of mobile fume collection facilities equipped to the welding workshop, each with a designed air treatment volume of 4,000 m³/h.
- (5) 1 set of fine plasma fixed filter dust removal facilities in the welding workshop, each with a designed air treatment volume of 18,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Shandong Wanshida Special Purpose
Vehicle Manufacturing Co., Ltd.

Industrial sewage:

- (1) 1 set of painting wastewater treatment system, with the treatment capacity of 4 m³/h; after treated by “flotation + Fenton reagent flocculation precipitation + sedimentation + filtration process”, the wastewater is charged to the domestic sewage treatment station of the plant.
- (2) 1 set of domestic sewage treatment system, with the treatment capacity of 4 m³/h, adopting the “hydrolyze acidification + SBR + contact oxidization + sand filtration + disinfection process”. After the treatment, the wastewater meets Grade-A standard set out in the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) and the quality standard for water used in greening work contained in the Reuse of Urban Recycling Water – Water Quality for Urban Miscellaneous Water Consumption (GB/T18920-2002), and is all used in the greening and road water spraying in the plant, with no external emission.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 4 sets of smoke and dust collection and treatment facilities for CNC cutting machines, each with a designed air treatment volume of 5,000 m³/h, adopting the filter cartridge dust removal process.
- (2) 3 sets of shot blasting machine fume collection and treatment facilities, each with a designed air treatment volume of 5,000 m³/h, adopting the filter cartridge dust removal process.
- (3) 80 sets of welding machine fume collection and treatment facilities, with a designed air treatment volume of 1,000 m³/h, adopting the filter cartridge dust removal process.
- (4) 2 sets of painting exhaust collection and treatment facilities, one with a designed air treatment volume of 100,000 m³/h and the other with a designed air treatment volume of 120,000 m³/h, adopting the activated carbon adsorption and desorption + catalytic combustion process.
- (5) 1 set of centralized welding fume collection and treatment facilities, with a designed air treatment volume of 100,000 m³/h, adopting the filter cartridge dust removal process.

Currently, all the said facilities are in normal operation.

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Hazardous waste:

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

CIMC Vehicles (Jiangmen) Co., Ltd.

Industrial sewage:

- (1) Production sewage: 1 set of pressure test loop water system and 1 set of paint loop water system have been built.
- (2) Domestic sewage: 1 set of integrated treatment system for canteen domestic wastewater has been built.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

It is equipped with 4 sets of VOCs treatment facilities in the paint line, 1 set of particulate treatment facilities for sanding, 3 sets of particulate treatment facilities in paint grinding room, 1 set of canteen purification system, 3 sets of CNC cutting dust removal system, and 3 sets of laser cutting dust removal system.

Currently, all the said facilities are in normal operation.

Hazardous waste:

A temporary dedicated storage room for hazardous waste has been built. Currently, the facility is in normal operation.

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Dongguan CIMC Special Vehicle Co., Ltd.

Industrial sewage:

- (1) Production wastewater: A wastewater treatment station is built in the painting workshop with a total treatment capacity of 237 t/d. The phosphating wastewater treatment system and the non-phosphorus wastewater treatment system are separately set for different characteristics of the painting workshop wastewater: 1. Phosphating wastewater treatment system adopts physicochemical precipitation + ultrafiltration + RO reverse osmosis + DTRO + evaporation concentration process. After the treatment reaches the reuse water standard, the reclaimed water is reused to the phosphating process, while the concentrated wastewater is entrusted to external agencies for environmentally friendly and harmless treatment, thus realizing zero discharge of heavy metals; 2. Non-phosphorus wastewater treatment system adopts physicochemical precipitation + biochemical process + ultrafiltration + RO reverse osmosis + sand filtration process. The treated reclaimed water which reaches the reuse standard is reused to the processes of pure water preparation, degreasing and washing. The concentrated water produced is further treated and discharged after reaching the level 4 standard of surface water.
- (2) Domestic sewage: The canteen oily wastewater is treated by oil and residue removal process; the toilet wastewater is treated by Level III septic tank; other domestic sewage is treated by residue removal process. After such treatment, other domestic sewage is discharged to the municipal network after residue removal treatment when meeting the Time Slot II Level III Standard set out in the Discharge Limits of Water Pollutants DB44/26-2001.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) 3 sets of laser cutting fume gas collection and treatment facilities, with a total treatment capacity of 18,000 m³/h.
- (2) 5 sets of robotic welding fume collection and treatment facilities, with a total treatment capacity of 147,000 m³/h.
- (3) 1 set of sanding dust removal system, with a total treatment capacity of 73,000 m³/h.
- (4) 1 set of electrophoresis tank organic exhaust filtering device, with a total treatment capacity of 36,500 m³/h.
- (5) 1 set of electrophoresis drying room exhaust catalytic combustion treatment device, with a total treatment capacity of 3,000 m³/h.

Among the said facilities, Facility (2) has been dismantled, the supporting dust removal equipment is temporarily out of service, and the other facilities are in normal operation.

Hazardous waste:

The company has built a dedicated temporary storeroom for hazardous waste, with the floor hardened and treated to prevent any infiltration and cofferdams established around the warehouse to avoid any outward leakage. The different categories of hazardous waste are separately stored with classification labels on sites. Currently, all the said facilities are in normal operation.

Gansu CIMC Huajun Vehicle Co., Ltd.

Industrial sewage:

- (1) The company's domestic sewage is discharged to the municipal network after being treated by the septic tank.
- (2) The company's painting room adopts a water rotation system to reuse water, with no external emission of industrial wastewater.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) 1 set of plasma gas cutting dust collection and treatment facilities, with a treatment capacity of 6,000 m³/h each.
- (2) 7 sets of mobile welding fume collection and treatment facilities, with a treatment capacity of 4,000 m³/h each.
- (3) Painting waste gas of the painting room : 2 sets of water rotation treatment + activated carbon adsorption + desorption catalytic combustion process facilities, with a treatment capacity of 84,000 m³/h and 126,000 m³/h, respectively.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds 1 hazardous waste warehouses, with a closed and wind, rain and sun-proof space; the floor has been hardened and treated to prevent any infiltration; cofferdams are established around the warehouse to avoid any outward leakage. The warehouse sets waste liquid collection measures in place; hazardous waste is stored properly in intact packaging and by category.

Currently, all the said facilities are in normal operation.

Luoyang CIMC Lingyu Automobile Co., Ltd.

Industrial sewage:

- (1) 1 set of industrial wastewater treatment facilities, with a treatment capacity of 120 m³/d, adopting "coagulation sedimentation + hydrolytic acidification + biological contact oxidation" process. After the treatment, the wastewater meets Class 3 of Table 4 standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the wastewater treatment plant through the municipal network with main outlet of the plant.
- (2) 1 set of wastewater treatment facilities for the whole plant, with a treatment capacity of 240 m³/d, adopting the "hydrolyze acidification + biological contact oxidation" process. After the treatment, the wastewater meets Class 3 of Table 4 standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the wastewater treatment plant through the municipal network.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) 3 sets of spraying and drying VOCs waste gas treatment facilities, with a design air treatment volume of 136,000 m³/h, 146,000 m³/h and 140,000 m³/h respectively, adopting the “activated carbon adsorption/desorption + catalytic combustion” process.
 - (2) 2 sets of dust removal devices for manual sand blasting room, with a designed air treatment volume of 22,206 m³/h and 30,000 m³/h respectively, adopting the bag dust collecting process.
 - (3) 1 set of dust removal device for polishing room, with a designed air treatment volume of 136,000 m³/h, adopting the filter barrel dust removal process.
 - (4) 3 sets of smoke and dust removal facilities for CNC cutting machines, each with a designed air treatment volume of 6,290 m³/h, adopting the filter cartridge type dust removal process.
 - (5) 4 sets of welding fume and dust removal facilities for semi-trailer workshop, with a designed air treatment volume of 6,290 m³/h (1 set) and 15,000 m³/h (the remaining 3 sets), adopting the filter cartridge type dust removal process.
 - (6) 8 sets of welding fume and dust removal facilities for tank truck workshop, with a designed air treatment volume of 15,000 m³/h, adopting the filter cartridge type dust removal process.
 - (7) 4 sets of welding fume and dust removal facilities for mixing workshop, with a designed air treatment volume of 30,000 m³/h (2 sets) and 24,000 m³/h (the remaining 2 sets), adopting the filter cartridge type dust removal process.
 - (8) 1 set of shot blasting dust removal facilities for powder-spraying line, with a designed air treatment volume of 90,000 m³/h, adopting the cyclone + filter cartridge type dust removal process.
 - (9) 3 sets of powder coating dust removal facilities for powder-spraying line, with a designed air treatment volume of 32,000 m³/h, 32,000 m³/h and 24,000 m³/h, adopting the cyclone + filter cartridge type dust removal process.
 - (10) 1 set of powder solidification waste gas treatment facilities for powder-spraying line, with a designed air treatment volume of 3,000 m³/h, adopting catalytic combustion process.
 - (11) 4 sets of laser cutting fume and dust removal facilities, with a designed air treatment volume of 2,500 m³/h (2 sets) and 3,500 m³/h (the remaining 2 sets), adopting the filter cartridge type dust removal process.
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- (12) 2 sets of welding fume and dust removal devices for automatic welding production line of mixer frame, with a designed air treatment volume of 30,000 m³/h and 56,000 m³/h, respectively, adopting the filter cartridge type dust removal process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 hazardous waste temporary storeroom, with the floor hardened and treated to prevent any infiltration. The storeroom adopts separate storage measures for different categories of hazardous waste and sets classification labels on sites. Currently, all the said facilities are in normal operation.

Haiyang CIMC Raffles Offshore Co., Ltd.

Industrial sewage:

Mainly being domestic wastewater, which is treated by the existing septic tank and discharged to Haiyang Beikong Wastewater Treatment Plant for further treatment.

Currently, the facilities are in normal operation.

Industrial exhaust:

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

Currently, all the said facilities are in normal operation.

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Hazardous waste:

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

Yantai CIMC Raffles Offshore Ltd.

Industrial sewage: No industrial wastewater is discharged; Domestic sewage is discharged to the wastewater treatment plant through the network after being treated by the oil-separating tank and the septic tank, respectively.

Industrial exhaust:

- (1) Pre-treatment workshop: It is equipped with dust and paint mist treatment facilities, among which, the air treatment volume of the dust exhaust funnel is 60,000 m³/h; the waste gas is emitted through the 15m exhaust pipe after being treated by the cyclone dust removal + filter cartridge dust removal facilities; The air treatment volume of the paint mist exhaust funnel is 20,000 m³/h. After the exhaust gas is treated through the dry filtration + activated carbon adsorption facility, it is discharged through a 15m exhaust pipe.
- (2) Painting workshop: It is equipped with the dust and paint mist treatment facilities. The dust treatment capacity of workshops No. 2 and 3 is 170,000 m³/h and 170,000 m³/h, respectively. After the exhaust is treated by the cyclone dust removal + filter cartridge dust removal device, it is discharged through four 30m exhaust pipes. The paint mist treatment capacity of the painting workshop No. 1 and 4 is 100,000 m³/h and 90,000 m³/h, respectively. After the exhaust is treated by the dry filtration + activated carbon adsorption and desorption + catalytic combustion device, it is discharged through two 30m exhaust pipes. The paint spaying exhaust treatment facility in the painting workshops No. 5 and 6 has a designed treatment capacity of 170,000 m³/h. After the exhaust is treated by the dry filtration + activated carbon adsorption and desorption + catalytic combustion device, it is discharged through two 30m exhaust pipes. The air volume of combustion exhaust treatment facilities No. 5 and 6 is 20,000 m³/h, and the exhaust is discharged through the 15m exhaust pipe after passing through the low-nitrogen combustion device.
- (3) The temporary storage room for hazardous waste is equipped with "activated carbon adsorption + catalytic combustion" facilities, with the organic waste gas discharged through 15m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the temporary hazardous waste warehouses and commissioned qualified third-party institutions for transportation and treatment.

Currently, the facilities are in normal operation.

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Shenzhen CIMC-TianDa Airport Support Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

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

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 temporary hazardous waste warehouse with standardized management and commissioned qualified third-party institutions for transportation and treatment. Currently, all the said facilities are in normal operation.

Dalian CIMC Logistics Equipment Co., Ltd.

Industrial sewage:

- (1) Paint spraying wastewater: treated by the plant's industrial wastewater treatment station, with a treatment capacity of 80 t/d and reused after treatment.
- (2) Domestic wastewater: after treatment with grease trap and septic tank, it will enter the city wastewater treatment plant for deep treatment.

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Industrial exhaust:

- (1) 6 sets of organic waste gas treatment facilities, with a design treatment capacity of 200,000 m³/h.
- (2) 7 sets of sanding waste gas treatment facilities, with a design treatment capacity of 280,000 m³/h.

The above exhausts are emitted through an exhaust pipe of over 15m after the treatment in compliance with standards. Currently, all the said facilities are in normal operation.

Hazardous waste:

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

C&C Trucks Co., Ltd.

Industrial sewage:

The wastewater from the plant is treated by the self-built wastewater treatment station, adopting pre-treatment + primary treatment + secondary biochemical treatment. The wastewater from the plant is first treated by the sewage treatment station and then is discharged to Binjiang Wastewater Treatment Plant. Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) Frame combined workshop: The shot blasting lines have been equipped with the bag dust collectors, and the RTO combustion facility has been built for frame electrophoresis drying.
- (2) Vehicle body painting workshop: The venturi paint mist capturing system has been installed in the intermediary paint, top coat spraying rooms. A DFTO exhaust gas incinerator imported from Germany has been built in the intermediary paint and top coat drying room. A DFTO exhaust gas incinerator imported from Germany has been built in electrophoresis drying room. A waste gas adsorption and filtration system has been installed in the paint refinishing room.

Currently, all the said facilities are in normal operation.

Hazardous waste:

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

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Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of pickling sewage treatment facilities, with the treatment capacity of 40 t/d. After the treatment, all wastewater meets the standard and is reused; 1 set of painting wastewater treatment facilities, with the treatment capacity of 60 t/d. After the treatment, all wastewater is recycled and reused.
- (2) Domestic wastewater: All discharged to Jingang District Wastewater Treatment Plant through the municipal network.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

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

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes a hazardous waste temporary warehouse, equipped with three prevention measures and video monitoring devices. The hazardous warehouse complies with Su Huan Ban (2019) No. 327 document and meets the environmental protection requirements. Currently, all the said facilities are in normal operation.

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Shijiazhuang Enric Gas Equipment Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

- (1) 1 set of painting exhaust multi-layer filter cotton + secondary activated carbon adsorption facilities, with a designed air treatment volume of 24,306 m³/h; 7 sets of activated carbon adsorption + desorption + catalytic combustion facilities (4 sets each with the air volume of 55,000 m³/h, 1 set with the air volume of 27,600 m³/h, 1 set with the air volume of 45,000 m³/h, 1 set with the air volume of 5,000 m³/h).
- (2) 2 sets of alkali spray towers for acid washing exhaust, each with a designed capacity of 5,000 m³/h.
- (3) 1 set of cyclone dust removal + filter cartridge dust removal facilities for exhaust from interior shot blasting machine, with a designed air volume of 50,000 m³/h.
- (4) 2 sets of cyclone dust removal + filter cartridge dust removal facilities for exhaust from exterior shot blasting machine; 1 set of cyclone dust removal + bag dust collectors, each with a designed air volume of 5,000 m³/h.
- (5) 6 sets of cyclone dust removal + filter cartridge dust removal facilities for exhaust from sanding room, each with a designed air volume of 8,800 m³/h.
- (6) 3 sets of cyclone dust removal + filter cartridge dust removal facilities for exhaust from putty polishing room, each with a designed air volume of 5,000 m³/h.
- (7) 2 sets of bag dust collector for CNC plasma cutting machine, each with the designed air volume of 2,384 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built a hazardous waste temporary store room, which is equipped with 1 set of VOCs treatment facilities with a air volume of 5,000 m³/h. Currently, the facilities are in normal operation.

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Nantong CIMC Energy Equipment Co, Ltd.

Industrial sewage:

The company establishes wastewater treatment station, with the treatment capacity of 300 t/d. Through residue removal, coagulation-sedimentation and biochemical treatment, the wastewater is discharged in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) The exhaust treatment facilities for paint spraying in the low-temperature workshop, adopting the process of "water curtain + spray + paint mist filtration + secondary activated carbon adsorption + catalytic combustion, water curtain + spray + paint mist filtration + secondary activated carbon adsorption".
- (2) The sandblasting exhaust treatment facilities for paint spraying in the low-temperature workshop, adopting the "cyclone + high-efficiency filter dust removal" process.
- (3) The painting exhaust treatment facilities in the tank truck workshop, adopting the "water curtain + spray + paint mist filtration + secondary activated carbon adsorption" process.
- (4) The sandblasting exhaust treatment facilities in the tank truck workshop, adopting the "cyclone + high-efficiency filter dust removal" process.
- (5) The cutting fume treatment facilities in the gas bottle production workshop, adopting the "bag dust collecting" process.
- (6) The winding solidification exhaust treatment facilities in the gas bottle production workshop, adopting the "water spray + secondary activated carbon adsorption" process.
- (7) 1 set of shot blasting exhaust treatment facilities in the gas bottle production workshop, adopting the "cyclone + high-efficiency filter dust removal" process.

The above exhausts are emitted through the 15m exhaust pipe after the treatment in compliance with standards. Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated temporary warehouses and commissioned qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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CIMC Safe Tech

Industrial sewage:

1 set of pickling sewage treatment facilities with a treatment capacity of 500 m³/day, adopting the treatment process of "acid and alkali neutralization + flocculation and sedimentation", and 1 set of spraying sewage treatment facilities with a treatment capacity of 120 m³/day, adopting the biochemical treatment process. During the production period, it is operated by a special person 24 hours a day, and the operator has obtained the qualification certificate issued by the Environmental Protection Department of Nantong City. The generated sewage is discharged into the municipal pipe network after meeting the discharge requirements, and then flows into the Donggang Sewage Treatment Plant for further treatment. The sewage outlet is installed with an online monitoring instrument. Currently, all the said facilities are in normal operation.

Industrial exhaust:

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

Hazardous waste: There is a special hazardous waste storage site of 1,296 m² with a collection ditch and collection pool, for which the measures to prevent rain, scattering and loss are taken. It is equipped with waste gas collection and treatment facilities and video surveillance. Hazardous waste identification labels are posted in accordance with the requirements and specifications. The warehouse is managed by dedicated personnel. Currently, the facilities are in normal operation.

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

Environmental impact assessment	41 critical pollutant dischargers have all submitted the environmental impact assessment and obtained approval
Sewage permits	41 critical pollutant dischargers have all obtained the sewage discharge permit

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Contingency plans for unexpected environment-related events

The Group's 41 critical pollutant dischargers have all prepared emergency response plans for environmental emergencies and have filed with the relevant competent authorities, which are all within the validity period. Meanwhile, 40 critical pollutant dischargers have been organized to conduct emergency drills for environmental emergencies in the first half of the year, and another 1 critical pollutant discharger, Qingdao CIMC Container Manufacture Co., Ltd. will conduct the same in the second half of the year according to the annual work plan.

Self-monitoring environmental program

The Group's 41 critical pollutant dischargers all carry out environmental monitoring, and delegate qualified third party inspection agencies to carry out regular inspections on wastewater, exhaust, noise, etc.

Administrative penalties due to environmental issues during the reporting period

Name of company or subsidiary	Reasons for punishment	Violation	Penalty	Impact on the production and operation of listed companies	Rectification measures of the company
Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd.	On 18 January 2022, the Jining Ecological Environment Bureau issued an administrative penalty decision (Ji Huan Fa Zi [2022] No. 12). It is due to the fact that the company did not submit the quarterly report on the implementation of pollutants discharge permit for the first three quarters of 2021.	It violated Article 22 of the "Regulations on the Management of Pollutants Discharge Permit"	A penalty of RMB11,375	None	<ol style="list-style-type: none"> The company has immediately arranged a special follow-up to complete the supplementary report on the implementation of pollutants discharge permit for the first three quarters of 2021. The system and process for filling out environmental protection reports has been sorted out and refined, and a long-term mechanism for submitting quarterly and annual reports has been established, so as to implement them in strict accordance with relevant requirements.

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Measures implemented to reduce the carbon emissions during the reporting period and the corresponding performance

√ Applicable □ N/A

During the reporting period, CIMC deeply followed the national policy of ecological civilization reduction and the requirement of green and low-carbon development in the context of “peaking carbon emissions and carbon neutrality”, and continuously improved the carbon emission in the manufacturing process of the Company through measures such as strengthening management, technological innovation and demonstration project constructions. At the same time, CIMC actively provides more green and low-carbon products through business layout to help global customers and society to save energy and reduce carbon.

CIMC’s dual carbon practices are recognised by external parties. In June 2022, CIMC was awarded the “2022 For Good Enterprises – Green Low Carbon Pioneer” award jointly organized by CSR Media Business for Good, CM Public Welfare Communications and CSR Global Network for the first time; in July 2022, CIMC was awarded the Southern Weekend “2021 Outstanding Responsible Enterprise” (2021年度責任傑出企業) and “2022 Exemplary Responsible Enterprise” (2022年度典範責任企業) awards. At the same time, CIMC was invited to attend the 18th CBCSD New Trends in Sustainable Development Conference and gave a speech on “Accelerating the layout of clean energy equipment industry and accumulating new momentum for development”(《加速清潔能源裝備產業佈局·積蓄發展新動能》), and also gave a lecture on ESG and dual carbon topics in the Seminar on Overseas Listing organized by Shenzhen Public Companies Association, which received good response.

I. Effectively implement the “five key initiatives” to reduce carbon emissions from the Company’s operations:

- (1) **Establish a sound annual target for energy saving and carbon reduction, and vigorously promoting the application of energy-saving technologies.** The Group’s Board of Directors took “energy saving and consumption reduction” as one of the seven key ESG issues, and at the beginning of the year, the Group set a clear annual target of a 3% reduction in energy consumption per RMB10,000 revenue and a reduction in carbon emission intensity. Each segment actively undertakes and carries out low-carbon and energy-saving topics, such as: lighting energy-saving improvement project, solar street light installation project and 400T bending machine with frequency conversion and energy-saving transformation project. At the same time, relying on the strategy and deployment of intelligent manufacturing upgrade of production lines, in the process of smart factory and “Lighthouse Factory”, energy saving and emission reduction are fully considered, and advanced energy-saving technologies are introduced and applied to continuously improve energy efficiency.
- (2) **Strengthen the organizational development to promote the implementation of energy saving and carbon reduction.** The Group has established a hydrogen team and a clean energy fund to study energy-saving and dual-carbon policies and business opportunities. The Group’s Sustainable Development Report Leadership Team is responsible for organizing group-wide research on energy conservation, carbon reduction and other important sustainable development topics, providing high-quality management reports and driving improvements for the Group. Each segment has also set up or designated a responsible organization, for example, the container segment has set up a special working group on low carbon and energy saving, and started to promote low carbon supply chain, powder coating research and development, light weight box plate, low carbon material alternative, distributed photovoltaic power generation, green low carbon building and other topics.

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- (3) **Strengthen the statistical analysis of energy consumption and carbon emission data to drive improvements with data.** The Group's energy consumption and carbon emission data has basically achieved full coverage of all domestic manufacturing enterprises and some non-manufacturing enterprises, and the overseas companies included in the statistics account for more than 75% of the total revenue from overseas. On the basis of the routine analysis started in 2021, the Group conducted in-depth quarterly and annual energy saving and carbon reduction analysis with each key energy-using segment this year, forming quarterly management reports and annual management reports. Energy saving and carbon reduction issues and suggestions which need to be paid attention to were put forward from the routine data analysis, and the executive committee would confirm and take effect to promote implementation, so that the segment would formulate targeted measures in response to that.
- (4) **Strongly promote the construction of green factories to achieve green and low-carbon manufacturing processes.** As at the end of June 2022, the Group has 14 enterprises certified as green factories (including 7 national-level green factories), including a new "national-level green factory" of Tianjin CIMC Containers Co., Ltd. and a new provincial-level green factory of Qingdao CIMC Special Reefer Co., Ltd. in the first half of 2022. By the end of June 2022, 22 companies had been certified for energy management systems, representing an increase of 4 companies from the end of 2021, subsequently, more companies will be promoted to be certified.
- (5) **Actively promote the implementation of dual-carbon demonstration projects to open up new energy-saving and carbon-reducing chapters.**
- 1) **Focus on rooftop photovoltaic projects.** Reduce carbon emissions through clean energy substitution. At the end of 2021, the Group set up a working group to co-ordinate rooftop photovoltaic projects. In mid-February 2022, the Group issued the "Notice on the group's requirements for coordinating the promotion of rooftop photovoltaic projects", based on the principle of "installing as much as possible, and actively constructing for enterprises with conditions", to jointly promotes the construction of rooftop photovoltaic power generation projects by its subsidiary companies with each segment. On top of the 10 enterprises that have already built roof-top photovoltaic power generation for ordinary use in 2021, each of the Group's segments has formulated detailed promotion plans for 2022, with 26 projects and 785,000 square metres of development planned for the year (accounting for 24% of the area for development). As at 30 June 2022, 22 projects had been launched, with 429,500 square metres developed (accounting for 54.7% of the plan).
 - 2) **Promote product carbon footprint verification project.** By quantifying the carbon emissions of products throughout their life cycle and identifying green and low-carbon improvement opportunities in raw materials, manufacturing, delivery and retirement, the Group supports the "greening and low-carbonisation" of star products. In 2022, the Group expands its carbon footprint verification product portfolio to include more products, and plans to complete carbon footprint verification for 15 products (including 10 star products, five of which are A-class star products or champion products) during the year. As at the end of June 2022, carbon footprint verification for 8 products has been completed, while more product carbon footprint verification projects have been launched in the middle of the year.
 - 3) **Study and explore the construction of a near-zero carbon enterprise project.** The Group has collected the policies of some provinces and municipalities on the construction of "near-zero carbon units" and has initiated a pilot project in Shenzhen. Shenzhen CIMC-TianDa Airport Support Co., Ltd. has started the application process for the near-zero carbon emission enterprise pilot project in Shenzhen in the first half of the year and has commissioned a third party to complete a self-assessment report and submit the official application to government departments at the end of July.

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- 4) Promote the dual carbon informatization project.** In early 2022, the Group initiated and promoted the “Dual Carbon Digitalization” programme, starting with a pilot programme for its subsidiaries, exploring the construction of a “carbon asset management platform”, using dual carbon digitalization technology to achieve carbon emissions visibility, data-driven improvement, energy optimization, generating carbon footprint reports and obtaining carbon footprint certification. The management platform is designed to be a panoramic “carbon platform” and a well-managed “carbon tool”, as well as an international “carbon certification” and a quantifiable “carbon value”. As of 30 June 2022, the proposal and system framework design for the programme has been completed, and the selection and evaluation of suppliers has been actively carried out and is progressing smoothly according to schedule.
- 2. Promote a comprehensive study to raise awareness and expertise of all staff and foster an energy-saving and low-carbon culture:**

Organise a variety of energy-saving and low-carbon cultural activities: organise all segments of the Group to complete award-winning knowledge competitions, green and low-carbon travel activities and tree planting activities to protect the green hills and blue skies together. Organise specialised energy-saving and low-carbon professional learning: during the reporting period, the Group organised a number of events, training and seminars on energy-saving and low-carbon technologies.

- 3. Actively engage in and promote “green and low carbon together” in the ecological chain:**

As a member and one of the founding members of the alliance, CIMC joined the Global Low-carbon Metallurgical Innovation Alliance in October 2021, which was jointly launched by China Baowu and the global steel industry and ecosystem partners. CIMC’s subsidiary, Tongchuang, actively responded to the construction of a green steel supply chain in the context of carbon reduction and emission reduction in the steel industry and the dual carbon target. In mid-2022, it organised and arranged for the three parties, namely steel manufacturers, CIMC and Maersk, as the supply side, intermediate side and user side of the steel supply chain, to communicate with each other on green steel consumption, and has now established a communication mechanism around the theme of green material supply chain. In 2022, CIMC reached strategic cooperation with a number of large groups such as ZTE, XCMG, Ansteel and JD Group, to work together on the dual carbon path.

Looking ahead, in terms of business development, CIMC will fully explore the opportunities arising from the national policy of expanding domestic demand and the in-depth implementation of the sustainable development strategy, and firmly promote the implementation of strategic themes focusing on the cold chain, clean energy, rural revitalization and green water and mountains, so as to build a new development pattern for the future. In terms of energy conservation and low carbon, we have formulated clear plans and programmes to scientifically and orderly promote the achievement of the dual carbon targets of “peaking carbon emissions and carbon neutrality”.

Other disclosable environmental information

41 critical pollutant dischargers of the Group have publicized their environmental information through various channels such as websites of relevant governments or enterprises.

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Other environment-related information

1. As at the end of June 2022, a total of 70 enterprises in the whole Group have passed the ISO14001 environmental management system certification, of which 36 of the 41 critical pollutant dischargers have passed the certification.
2. In June 2022, Qingdao CIMC Special Reefer Co., Ltd. was awarded the “2022 Provincial Green Factory” by the Department of Industry and Information Technology of Shandong Province.
3. In June 2022, CIMC Safe Tech was listed on the positive list of ecological and environmental supervision and enforcement by the Nantong Municipal Bureau of Ecology and Environment for the second consecutive year.
4. In July 2022, CIMC Safe Tech was included in the “Nantong Environmental Demonstration Enterprise List” by the Nantong Municipal Bureau of Ecology and Environment for the second time since it was first awarded in 2020.

Whether the Company publishes social responsibility report

Yes No

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

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Continuous improvement

The improvement performance of
"waste gas, wastewater and solid waste"

Container manufacturing segment

(1) Waste gas improvement

For the purpose of VOCs control at the source, the segment has continued to expand the environmental achievements of the "substitution of paint with water paint". At present, the water-based paint products have covered dry containers, reefer containers, 53-foot special containers and other products, significantly reducing VOCs emissions by over 70%. At the same time, the segment has accelerated the research and development of more green and environmental zero-VOCs powder coating technology, and has completed a components and parts powder coating production line in Yangzhou Tonglee (already in production) and a complete powder coating production line with an annual production capacity of 150,000 TEU in Xinhui base (in commissioning), accelerating the progress of green and clean production technology.

(2) Waste water improvement

The industrial wastewater of the segment mainly comes from the paint mist treatment and water spraying tower, and the main pollutants are COD, SS and ethers. We have set up wastewater treatment stations in our plants, and through a combination of treatment processes such as coagulation and sedimentation, air flotation, Fenton oxidation and biochemical systems, industrial wastewater is recycled to production after the removal of pollutants in the water body. At present, 67% of the companies have already achieved zero discharge of industrial wastewater.

At the same time, the company has introduced the Internet of Things (IoT) management system into wastewater management. By collecting and analyzing real-time data and establishing mathematical models, NBCIMC has achieved "no more, no less" for coagulant addition, "no acidity, no alkalinity" for sodium hydroxide conditioning, and no discharge for wastewater without meeting the standard, thus realizing real-time monitoring, automation of operation and intelligence of emission.

(3) Solid waste improvement

In view of the characteristics of the company's hazardous waste, which is mainly waste paint residue and waste paint drums, the dry reduction of paint residue and the recyclable packaging of water-based paint are the key initiatives to reduce or eliminate the generation of hazardous waste and achieve the reduction of hazardous waste, with a 45.9% reduction in the disposal intensity of hazardous waste of RMB10,000 output value in the past three years.

(4) Green manufacturing system construction

In the first half of 2022, the segment's QDCSR was named to the list of green factories of the Department of Industry and Information Technology of Shandong Province. At present, a total of four enterprises have been awarded as green factories and one enterprise has been awarded as a green supply chain management demonstration enterprise.

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Road transportation vehicles segment

(1) Waste gas improvement

Continue to build a “high-end manufacturing system” and improve the “lighthouse” factories to reduce emissions of exhaust gas, wastewater and solid waste at source by upgrading production lines. At present, CIMC Vehicles has completed 22 “lighthouse” factories in and outside of China, and adopted automatic, intelligent and digital environmental protection and emission reduction facilities in all production sections. Our subsidiaries have actively promoted the application of advanced technologies such as robotic welding and electrophoresis + powder coating, which have reduced pollutant emissions and energy consumption in the production process. At the same time, each enterprise has increased the upgrading and optimisation of its exhaust facilities and daily management in accordance with the actual situation to improve treatment efficiency.

(2) Wastewater improvement

Each enterprise is actively working to “reduce use and emissions”. On the one hand, enterprises that have the conditions to do so are increasing their efforts to reuse wastewater, while on the other hand, they are strengthening on-site management to reduce dripping and leakage, and reducing all kinds of wastage of water.

(3) Solid waste improvement

Each enterprise further standardised its solid waste management. While upgrading production lines to reduce the amount of solid waste generated, actively exploring and learning from technologies and experiences in solid waste minimisation and developing improvement plans.

(4) The green manufacturing system construction

In the first half of the year, CIMC Vehicles formulated and released its annual HSE policy, guiding the enterprise to actively implement the management requirements and targets such as “green factory and green supply chain”. At the same time, it improved and issued documents such as the “HSE Compliance Audit Management Regulations of CIMC Vehicles” (《中集車輛HSE合規審核管理辦法》) and the “2022 Revised Draft of CIMC Vehicles’ Compliance Audit Regulations” (《中集車輛達標審核細則2022年修訂稿》) to guide enterprises to carry out their environmental compliance and green development work in an orderly manner. There is already one enterprise planning to apply for Green Factory Certification within this year.

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Energy, chemical and liquid food equipment segment

(1) Waste gas improvement

Enterprises in the energy and chemical segment have been actively taking various measures to reduce the emission of exhaust pollutants. CIMC Safe Tech and Shijiazhuang Gas Equipment launched a powder spraying project to thoroughly eliminate the emission of VOCs, while SOE and Nantong CIMC Energy Equipment launched an RTO upgrade for the coating process to improve the treatment efficiency to 95% and realise the reduction of VOCs emissions.

(2) Waste water improvement

Waste water: each enterprise in the energy and chemical segment discharged waste water in strict accordance with the requirements of the discharge permit. In addition, member enterprise Nantong CIMC Energy Equipment upgraded its waste water treatment facilities and enhanced the recovery and recycling of wastewater generated to reduce waste water discharge.

(3) Solid waste improvement

The disposal of hazardous waste in the first half of the year by each enterprise in the energy and chemical segment was in compliance with regulatory requirements, and the operation of the powder spraying project will greatly reduce the amount of hazardous waste generated.

Offshore engineering segment

(1) Waste gas improvement

In terms of the treatment at the final stage, Haiyang Raffles and Longkou CIMC Raffles have upgraded their coating workshop environmental treatment facilities from "activated carbon adsorption + catalytic combustion" to "zeolite rotor + RCO". After the technical renovation, the organised VOCs removal efficiency of Haiyang Raffles was increased to 98% and the organised VOCs emission reduction amounted to 180t/a. The VOCs emission concentration of Longkou CIMC Raffles was stabilised below 10 mg/m³ and passed the first batch of "Level II Enterprise" certification for the key VOCs industry in Yantai City in 2022, a "higher" level of environmental performance in the industry. The RCO high-efficiency VOCs treatment facilities in the temporary storage of hazardous waste at Yantai CIMC Raffles were put into operation in March 2022 to effectively reduce the emission of VOCs through collection and treatment. In terms of source treatment, Yantai CIMC Raffles has retired 8 sets of non-road machinery of National 1 emission standard and procured new electric energy machinery to reduce the emission of non-road machinery. Longkou CIMC Raffles purchased and put into service two new mobile VOCs collection and control equipment.

(2) Waste water improvement

Enterprises continue to improve their wastewater management. For example, Longkou CIMC Raffles plans to install domestic wastewater treatment facilities in 2022, adopting biological treatment technology to provide end-of-pipe treatment for the aggregated domestic wastewater at the plant.

Chapter VII Environmental and Social Responsibilities

(3) Solid waste improvement

Continue to promote the waste paint drum reduction and empty drum programme, achieving a 25% reduction in the original unit of waste paint drums and a reduction of approximately 52 tonnes of waste paint drums generated with the same amount of paint used. In March 2022, Yantai CIMC Raffles opened a new temporary hazardous waste storage room of more than 700 square metres to ensure compliant storage of hazardous waste. Haiyang Raffles adopts new environmental protection process to replace the use of activated carbon, enabling a 15 tonne/year reduction in waste activated carbon emissions.

(4) Green manufacturing system construction

The segment put in great efforts to promote the construction of green factories and green supply chains. Longkou CIMC Raffles has launched the application for green factory in the first half of the year. Yantai CIMC Raffles has started to apply for green supply chain in the first half of the year.

Airport and logistics facilities, fire safety and rescue equipment segment

(1) Waste gas improvement

Reduce VOCs at source. The automatic spraying process of Shenzhen CIMC – TianDa Airport Support Co., Ltd. employs electrostatic spray guns to increase the adhesion of paints on workpieces, thereby reducing the amount of paints and thinners used and thus reducing the generation of VOCs and hazardous waste such as paint sludge. The technology department has speeded up the testing of low volatile paint and has started the application of high-solid paint on projects in the first half of the year. The enterprises have continued to conduct improvement work on “reducing welding and polishing” to reduce environmental impacts such as fume, dust and noise.

(2) Waste water improvement

Each enterprise actively carried out publicity and training on “water consumption and water conservation” to raise the awareness of water conservation among all staff. At the same time, each enterprise increased its inspection and maintenance efforts on site.

(3) Solid waste improvement

Promote the use of electrostatic spray guns to improve paint utilisation and reduce paint residue.

(4) Green manufacturing system construction

Shenzhen CIMC Tianda Airport Equipment Co., Ltd. has started the application for national-level green factory certification in the first half of the year. At the same time, Sichuan Chuanxiao has been actively promoting the application of provincial-level green factory certification.

Chapter VII Environmental and Social Responsibilities

Logistics segment

(1) Waste gas improvement

Further enhance the exhaust emission level of vehicles and equipment. In particular, the companies in Tianjin newly purchased 10 LNG-fuelled trucks, 10 National VI diesel-fuelled trucks and phased out 15 National IV diesel vehicles. By installing additional exhaust gas treatment equipment, improving the oil injection equipment and other measures, all devices in Shanghai and Ningbo regional companies have met the emission standards and obtained the environmental protection label.

(2) Waste water improvement

It continued to improve the sewage treatment facilities for container washing at various operating points. For example, sewage reuse devices have been implemented and installed at all operating sites in Shanghai.

(3) Solid waste improvement

Further standardisation of hazardous waste storage and compliance with disposal. The companies in Shenzhen commission the processing of waste wood products to achieve waste reuse.

Loop load segment

(1) Waste gas improvement

Each enterprise continues to increase the number of mobile welding fume purifiers for welding fume; meanwhile, it continues to increase the number of environment-friendly water-based paints instead of solvent-based paints to reduce the emission of VOCs; maintain and optimise the waste gas treatment facilities to ensure the operational efficiency of the waste gas treatment facilities.

(2) Waste water improvement

Through process optimisation and management improvements, each enterprise has increased its production water recycling rate and achieved zero industrial waste water discharge.

(3) Solid waste improvement

Strengthen the compliance management of solid waste, optimise and improve the collection and storage of hazardous waste, enhance the recycling of waste and reduce the amount of solid waste generated.

Chapter VII Environmental and Social Responsibilities

Other Segments

- Heavy trucks
 - (1) Waste gas improvement : Increase the carbon adsorption device in the exhaust gas facilities in the painting venturi recirculation basin to reduce exhaust gas emissions. Vehicle hub test chamber fitted with exhaust gas collection equipment to reduce exhaust gas emissions.
 - (2) Waste water improvement : Improve the construction of the main sewage outlet to meet regulatory requirements, and regularly clean the filter layer in the sewage pond to meet sewage discharge standards.
 - (3) Solid waste improvement : The deterioration of the anti-corrosion and anti-infiltration layer on the floor of the hazardous waste warehouse and the cracks in the floor walls pose a risk of soil contamination, thus renovating the hazardous waste warehouse.

- IoT
 - (1) Waste gas improvement : IoT company is a software research and development and equipment installation and assembly enterprise, the segment enterprise basically does not involve in waste gas emissions.
 - (2) Waste water improvement : The company does not involve industrial sewage discharge and only uses a relatively small amount of water for domestic and office use. The company has enhanced publicity on the improvement of domestic and office water consumption this year to raise staff awareness of water conservation.
 - (3) Solid waste improvement : All solid waste generated by the enterprise is disposed of in a compliant manner.

- Tongchuang

Tongchuang's two existing steel processing enterprises are both steel plate slitting, without processes such as spraying and welding. Yantai Tiezhongbao's new plant was gradually put into operation in the first half of the year. In terms of environmental protection, the newly installed wastewater treatment system can improve wastewater treatment efficiency by more than 30%.

Chapter VII Environmental and Social Responsibilities

II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

CIMC appreciates that the implementation of the rural revitalization strategy is a masterpiece, which should be planned in a comprehensive manner from the perspective of the overall scenario, and should be promoted as a regular key work, in a practical, scientific and orderly manner. CIMC and its subsidiaries focus on the comprehensive rural revitalization of industrial revitalization, talent revitalization, cultural revitalization, ecological revitalization and organisational revitalization, and carry out relevant work in a focused manner according to the actual situation.

1. Industry revitalization

The prosperity of industry brings not only a material basis for rural development, but also the strength to implement the rural revitalization strategy. CIMC New Environmental Protection Material Co., Ltd (“CIMC Xincai”), a subsidiary of the Group’s container segment, further accelerated the construction of “rural revitalization workshops” and completed the construction of 20 new “rural revitalization workshops” in Anhui, Hunan and Fujian in the first half of the year. The workshops are located in Suining, Hunan and Henan. The bases set up in Suining, Hunan Province, Hengyang, Hunan Province and Jinzhai, Anhui Province have brought positive impact on local employment and farmers’ income, making a real contribution to rural revitalization and industrial development of agriculture; at the same time, they can contribute to the development of bamboo curtain suppliers and high-viscosity suppliers, so as to strengthen the industry ecological chain and provide the effect of rural revitalization.

2. Multiple forms of support donations

In the first half of 2022, the Group’s subsidiaries have been active in helping their counterparts, rural ecological improvement, targeted donations, consumption of rural products and rural education donations, achieving practical achievements.

3. Leveraging the advantages of expertise in equipment to contribute to rural revitalization:

CIMC leverages its world-leading expertise in logistics equipment and energy equipment to contribute to the rural revitalization.

The LPG pump truck independently developed by CIMC Enric fills the gap in the application field of clean energy in rural areas and facilitates the government’s promotion of gas to rural areas. The key equipment provided by Enric helps customers to technically solve the difficulty of “Gas for Coal Replacement” (煤改氣) in rural areas, contributing to the implementation of the government’s “rural gasification” (氣化鄉村) strategy and effectively helping people in rural areas to improve their quality of life.

Relying on recycling packaging services, the load segment contributes to the production and marketing of local agricultural crops. In Yunnan Province, the “Yunling Project” (雲嶺項目) replaces disposable packaging with fresh produce baskets to minimise loss of produce and improve transfer efficiency.

CIMC IOT Technology Co., Ltd is actively engaged in promoting the intelligent transformation and upgrading of the agricultural and livestock industry, empowering the agricultural and livestock industry with CIMC equipment, allowing intelligent farming to boost rural revitalization, and has established cooperation with enterprises such as Guangken Animal Husbandry (廣墾畜牧), Yisheng (益生股份) and Sichuan Tianzou Breeding (四川天兆豬業).

Chapter VII Environmental and Social Responsibilities

Under the Group's new business of "Container+", it plans to focus on fisheries equipment, breeding operation services and other areas to create a modern fisheries industry with distinctive features, integrated functions, green ecology and a complete chain. In late March 2022, the first phase of the fisheries technology demonstration base was completed, which will strongly promote the development of rural fisheries industry.

Going forward, CIMC will continue to play a leading role as the head enterprise in the industry, and make great efforts to carry out work related to rural revitalization in multiple directions and forms according to local conditions. At the same time, we will rely on CIMC's equipment and technology advantages to support local industries and economic development in the main directions of clean energy, cold chain and breeding.

Chapter VIII Significant Events

I. COMMITMENTS PERFORMED DURING THE REPORTING PERIOD AND NOT YET FULFILLED AS AT THE END OF THE REPORTING PERIOD BY UNDERTAKING PARTIES OF THE COMPANY INCLUDING THE DE FACTO CONTROLLER, SHAREHOLDERS, RELATED PARTIES, ACQUIRERS AND THE COMPANY

√ Applicable □ Not Applicable

Commitment	Promisor	Type of commitment	Contents of commitment	Date of commitment	Commitment period	Implementation
Other commitments made to minority Shareholders of the Company	The Company	Others	In accordance with the relevant regulations, domestic residents are not eligible to purchase foreign stocks directly, so, domestic residents can only hold or sell its H Shares of the Company of which they legally possess due to the change of listing location of stocks of the Company, they are not eligible to subscribe the shares of the Company and other H shares or other overseas stocks, and also after the sales of H shares of the Company, the sales income must be timely transferred to the mainland. The Company promises domestic residents that before they are free to purchase overseas stocks, the Company will not finance by the means of allotment.	2012/8/15	Before domestic residents are free to buy overseas stocks.	In progress
Other commitments made to minority Shareholders of the Company	The Company	Dividend distribution	Shareholders' bonus return plan (2022 to 2024)	2022/6/28	2022 to 2024	In progress
Whether the commitment is fulfilled in a timely manner or not	Yes					
If the commitment is not fulfilled when due, explanations on reasons and working plans for the next step shall be stated in detail	Not applicable					

Chapter VIII Significant Events

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

Applicable Not Applicable

Please refer to the "Summary of Non-Operating Funds Appropriation and Other Related Funds Transactions of China International Marine Containers (Group) Co., Ltd. for the First Half of 2022" as disclosed by the Company on the same date hereof for details on appropriation of the Company's funds by related parties of the Company for non-operating purposes. As at 29 August 2022, all the funds of the Group appropriated by CIMC Financial Leasing Company for non-operating purposes have been repaid.

III. ILLEGAL EXTERNAL GUARANTEES

Applicable Not Applicable

IV. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial report has been audited or not

Yes No

The 2022 Interim Financial Report has not been audited.

On 28 June 2022, as considered and approved at the 2021 annual general meeting, the Company appointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2022.

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

Applicable Not Applicable

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

Applicable Not Applicable

Chapter VIII Significant Events

VII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable Not Applicable

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

VIII. LITIGATION EVENTS

Material litigation and arbitration events

Applicable Not Applicable

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

Other litigation events

Applicable Not Applicable

IX. PENALTIES AND REMEDIES

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Chapter VIII Significant Events

XI. MATERIAL RELATED-PARTY TRANSACTIONS

1. Related-Party Transactions as Defined by Domestic Laws and Regulations

(1) Related-party transactions relating to daily operations

√ Applicable □ Not Applicable

Unit: RMB thousand

Related party	Relationship with the Group	Type of the related-party transaction	Details of the related-party transaction	Pricing principle	Price		Proportion to transaction amount of the same category	Approved cap	Whether approved cap has been exceeded	Settlement method	Available market price of the same transaction category	Disclosure date	Disclosure index
						Amount							
Sinotrans & CSC Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	92,612	-	220,000	No	-	-	9 December 2021	www.crinfo.com.cn
Sinotrans & CSC Group	Subsidiary of substantial shareholder	Receiving of services	Receiving of services	Regular commercial terms	-	689,213	-	720,000	No	-	-	9 December 2021	www.hkexnews.hk
China Merchants Port Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	654	-	140,000	No	-	-	11 May 2022	www.cimc.com
China Merchants Port Group	Subsidiary of substantial shareholder	Receiving of services and leasing business	Receiving of services and leasing business	Regular commercial terms	-	3,793	-	60,000	No	-	-	11 May 2022	
Liaoning Port Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	1,094	-	140,000	No	-	-	11 May 2022	
Liaoning Port Group	Subsidiary of substantial shareholder	Receiving of services and leasing business	Receiving of services and leasing business	Regular commercial terms	-	4,567	-	60,000	No	-	-	11 May 2022	
China Merchants RORO Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	14,358	-	170,000	No	-	-	11 May 2022	
China Merchants RORO Group	Subsidiary of substantial shareholder	Receiving of services	Receiving of services	Regular commercial terms	-	-	-	30,000	No	-	-	11 May 2022	
Sinotrans Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	-	-	170,000	No	-	-	11 May 2022	
Sinotrans Group	Subsidiary of substantial shareholder	Receiving of services	Receiving of services	Regular commercial terms	-	2	-	30,000	No	-	-	11 May 2022	
CIMC Financial Leasing and its subsidiaries (Note)	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	15,403	-	1,550,000	No	-	-	11 May 2022	
CIMC Financial Leasing and its subsidiaries	Subsidiary of substantial shareholder	Receiving of services	Receiving of services	Regular commercial terms	-	-	-	200,000	No	-	-	11 May 2022	
Total					-	821,696	-	-	-	-	-	-	-

Chapter VIII Significant Events

Details of substantial sales return	Nil
Projected total amount of related transactions in the ordinary course of business during the current period by type and actual performance during the Reporting Period (if any)	As at 30 June 2022, the actual transaction amounts of ordinary related-party transactions between the Group and related parties have not exceeded the annual caps set out in the agreements signed between the Company and related parties in respect of these ordinary related-party transactions. For details, please refer to "2. Continuing Connected Transactions/Ordinary Related-Party Transactions" in "(II) Connected Transactions Defined in Accordance with the Hong Kong Listing Rules" under "XI. Material Related-party Transactions" of this chapter.
Reason for the substantial difference between transaction prices and referential market prices (if applicable)	Not applicable

Note: The amount of related transactions herein is for June 2022 since CIMC Financial Leasing Company was no longer included in the consolidated statements of the Group and has become a related party of the Company since the end of May.

(2) Related-party Transactions Relating to Assets or Equity Interest Acquisition and Disposal

Applicable Not Applicable

(3) Related-party Transactions Relating to Joint External Investments

Applicable Not Applicable

(4) Claims and Liabilities among the Related-party Transactions

Applicable Not Applicable

Whether there are non-operating claims and liabilities among the related-party transactions

Yes No

For relevant information on claims and liabilities among the related-party transactions of the Company during the Reporting Period, please refer to note VIII. 5. (4) of "Chapter XI 2022 Interim Financial Report (Unaudited)" in this Report.

(5) Transactions with related finance companies

Applicable Not Applicable

Chapter VIII Significant Events

(6) Transactions between Finance Companies Controlled by the Company and Related Parties

√ Applicable □ Not Applicable

- On 27 August 2021, as considered and approved at the twenty-first meeting in 2021 of the ninth session of the Board of the Company, CIMC Finance Company signed the Financial Services Framework Agreement with CIMC Industry & City. Pursuant to the Financial Services Framework Agreement, CIMC Finance Company provides financial services to CIMC Industry & City and its subsidiaries, including deposit-taking services and loan services. The transaction limit of the Financial Services Framework Agreement is as follows: the maximum daily deposit balance of CIMC Industry & City and its subsidiaries with CIMC Finance Company shall not exceed RMB3 billion; the principal balance of loans provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries shall not exceed RMB1.5 billion. The transaction was considered and approved at the fourth extraordinary general meeting for 2021 held by the Company on 24 September 2021. For relevant information, please refer to the relevant announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 27 August 2021 and 24 September 2021 (Announcement Nos.: [CIMC]2021-081 and [CIMC]2021-089) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Deposit business

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Amount for the current period			Balance at the end of the period
				Balance at the beginning of the period	Total amount placed for the current period	Total amount withdrawn for the current period	
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	3,000,000	With reference to market rates	100,980	1,642,234	1,609,625	133,589

Loan business

Unit: RMB thousand

Related party	Relationship	Loan amount	Range of lending rate	Amount for the current period			Balance at the end of the period
				Balance at the beginning of the period	Total amount of loans for the current period	Total amount of repayment for the current period	
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	1,500,000	With reference to market rates	98,931	487,530	98,776	487,685

- On 11 May 2022, CIMC Finance Company and CIMC Financial Leasing entered into the Financial Service Framework Agreement, pursuant to which, CIMC Finance Company provides financial services including deposit-taking services to CIMC Financial Leasing and its subsidiaries. The transaction amount agreed in the Financial Service Framework Agreement is as follows: the maximum daily deposit balance of CIMC Financial Leasing and its subsidiaries with CIMC Finance Company shall not exceed RMB500 million with the deposit interest rate determined with reference to the market deposit interest rate. The term is three years from the effective date of the agreement. For relevant information, please refer to the relevant announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 11 May 2022.

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Deposit business

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Balance as at 31 May	Amount for June		
					Total amount placed in June	Total amount withdrawn in June	Balance at the end of the period
CIMC Financial Leasing (Note)	Subsidiary of substantial shareholder	500,000	With reference to market rates	280,235	312,179	284,369	308,045

Note: The amount of related transactions herein is for June 2022 since CIMC Financial Leasing Company was no longer included in the consolidated statements of the Group and has become a related party of the Company since the end of May.

(7) Other Material Related-Party Transactions

Applicable Not Applicable

For details, please refer to "1. Connected Transactions" in "(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules" under "XI. Material Related-party Transactions" of this chapter.

Temporary announcement	Disclosure date of temporary announcement	Disclosure website of temporary announcement
Announcement on the connected transaction regarding CIMC Transportation Technology's introduction of strategic investors	14 April 2022	www.cninfo.com.cn www.hkexnews.hk www.cimc.com

2. Connected Transactions Defined in accordance with the Hong Kong Listing Rules

Pursuant to Chapter 14A of the Hong Kong Listing Rules, the following connected transactions are discloseable in this Report:

(1) Connected Transactions:

On 14 April 2022, as considered and approved at the fifth meeting in 2022 of the ninth session of the Board the Company, CIMC Transportation Technology, a subsidiary of the Company intended to introduce Shenzhen Yuanzhi Venture Capital Co., Ltd.* (深圳市遠致創業投資有限公司) ("Yuanzhi Venture Capital"), Shenzhen Yuanzhi Ruixin Smart Airport Logistics Industry Private Equity Investment Fund Partnership (Limited Partnership)* (深圳市遠致瑞信智慧空港物流產業私募股權投資基金合夥企業(有限合夥)) ("Yuanzhi Ruixin") and Shenzhen Xinfuhui XV Investment Partnership (Limited Partnership)* (深圳市信福匯十五號投資合夥企業(有限合夥)) ("Xinfuhui XV") as strategic investors and entered into the Increase Agreement and the Shareholders' Agreement (the "Transaction"). Upon completion of the Transaction, the Company's shareholding in the CIMC Transportation Technology will be reduced from 70.9238% to 67.3334%. CIMC Transportation Technology will remain a non-wholly owned holding subsidiary of the Group.

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Prior to the Capital Increase, CIMC Transportation Technology is a non-wholly owned subsidiary of the Company. Pursuant to the Capital Increase Agreement, as a result of the Capital Increase, the Company's equity interests in CIMC Transportation Technology will decrease, which constitutes a deemed disposal under Chapter 14 of the Hong Kong Listing Rules.

As (1) Yuanzhi Venture Capital is a wholly-owned subsidiary of Shenzhen Capital Group, the largest shareholder of the Company; and (2) the general partner of Yuanzhi Ruixin is Shenzhen Yuanzhi Ruixin Equity Investment Management Co., Ltd. (深圳市遠致瑞信股權投資管理有限公司), and Shenzhen Capital Group is the largest contributor to Shenzhen Yuanzhi Ruixin Equity Investment Management Co., Ltd., Yuanzhi Venture Capital (being an associate of Shenzhen Capital Group) is therefore a connected person of the Company, Yuanzhi Ruixin is deemed to be a connected person of the Company by the Hong Kong Stock Exchange and the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company.

For details, please refer to the relevant announcements published by the Company on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 14 April 2022.

(2) Continuing Connected Transactions/Ordinary Related-Party Transactions

(1) *Continuing connected transactions with Sinotrans & CSC Holdings Co., Ltd.*

On 9 December 2021, as considered and approved at the twenty-ninth meeting of the ninth session of the Board in 2021, the Company and Sinotrans & CSC signed the Framework Agreement for Selling Goods and Rendering/Receiving Services (the "Framework Agreement"), pursuant to which the Group will continuously provide Sinotrans & CSC Group with goods and services, and receive services to be provided by Sinotrans & CSC Group. The Framework Agreement stipulated the proposed caps of continuing connected transactions/ordinary related-party transactions between the parties (1) from 1 December 2021 to 31 December 2021; (2) for the year ending 31 December 2022; and (3) for the year ending 31 December 2023 (the "Proposed Caps").

Sinotrans & CSC is a wholly-owned subsidiary of China Merchants Group Limited, the substantial Shareholder of the Company. According to Chapter 6 of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (the "Shenzhen Listing Rules"), Sinotrans & CSC and its subsidiaries are all affiliated legal persons of the Company, and the transactions between the Group and Sinotrans & CSC Group under the Framework Agreement constitute ordinary related-party transactions of the Company. In addition, according to Chapter 14A of the Hong Kong Listing Rules, Sinotrans & CSC and its subsidiaries are connected persons of the Company, and the transactions between the Group and Sinotrans & CSC Group under the Framework Agreement constitute continuing connected transactions of the Company.

Chapter VIII Significant Events

Based on the historical transactions of the parties and the prediction of future trends of international trade and the logistics industry, the parties determine the Proposed Caps through negotiation, and the actual transaction amounts for the six months ended 30 June 2022 are shown below:

Unit: RMB100 million

Scope of related-party transaction	Proposed Caps		Actual transaction amounts
	For the year ending 31 December 2022	For the year ending 31 December 2023	From January to June 2022
Sale of goods and rendering of services by the Group to Sinotrans & CSC Group	2.2	2.4	0.93
Receipt of services by the Group from Sinotrans & CSC Group	7.2	8.3	6.89

Based on factors such as actual transactions, economic environment of the market and expected prices to remain high, the Company and Sinotrans & CSC anticipate that the original 2022 annual cap and 2023 annual cap under the Framework Agreement will not be able to meet the future transaction needs of the parties. To this end, on 17 June 2022, the Company and Sinotrans & CSC entered into the New Framework Agreement for Selling Goods and Rendering/Receiving Services (the "New Framework Agreement"). The New Framework Agreement provided the proposed caps of the ordinary related-party transactions of the parties for 2022, 2023 and 2024. The Framework Agreement lapsed on the day when the New Framework Agreement became effective. On 3 August 2022, such matter was considered and approved at the first extraordinary general meeting of the Company for 2022.

The proposed caps of the ordinary related-party transactions as provided in the New Framework Agreement for the three years ending 31 December 2022, 2023 and 2024 are set out as follows:

Unit: RMB100 million

Scope of related-party transaction	Proposed Caps		
	For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024
Sale of goods and rendering of services by the Group to Sinotrans & CSC Group	5.2	5.5	5.8
Receipt of services by the Group from Sinotrans & CSC Group	42	44	46

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) on 9 December 2021, 17 June 2022 and 3 August 2022.

Chapter VIII Significant Events

(2) *Continuing connected transactions/ordinary related-party transactions with subsidiaries of China Merchants Group for 2022–2024*

On 11 May 2022, as considered and approved at the seventh meeting of the ninth session of the Board in 2022, the Company entered into the relevant agreements respectively with China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans. Pursuant to such agreements, the Group will continuously sell goods and provide services to the parties, and receive services and/or leasing businesses provided by the parties. All parties agreed on the annual caps of ordinary related-party transactions for the three years ending 31 December 2022, 2023 and 2024 (collectively, the “Proposed Caps”, the four agreements signed collectively referred to as the “Framework Agreements”, the transaction hereinafter referred to as the “Related-Party Transaction”).

China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans are subsidiaries of China Merchants Group Limited, the substantial shareholder of the Company. According to Chapter 6 of the Shenzhen Listing Rules, China Merchants Port, Liaoning Port, China Merchants RORO, Sinotrans and their respective subsidiaries are all affiliated legal persons of the Company, and the transactions between the Group and China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans and their respective subsidiaries under the Framework Agreements, respectively, constitute the ordinary related-party transactions of the Company.

The Framework Agreements and the ordinary related-party transactions contemplated thereunder (including the Proposed Caps) are transactions between the Company and enterprises under the control of the same entity. The proposed annual caps, when aggregated, are less than 5% or more of the latest audited absolute value of net assets of the Company. Therefore, the Related-Party Transaction is not subject to the consideration of the Company’s general meeting.

Chapter VIII Significant Events

The Proposed Caps of continuing connected transactions/ordinary related-party transactions agreed for the three years ending 31 December 2022, 2023 and 2024 and the actual transaction amounts for the six months ended 30 June 2022 are shown below:

Unit: RMB thousand

Related party	Scope of related-party transaction	Proposed caps			Actual transaction amounts From January to June 2022
		For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024	
China Merchants Port Group	Sale of goods and provision of services by the Group to China Merchants Port Group	140,000	140,000	140,000	654
	Receipt of services and leasing business by the Group from China Merchants Port Group	60,000	60,000	60,000	3,793
Liaoning Port Group	Sale of goods and provision of services by the Group to Liaoning Port Group	140,000	140,000	140,000	1,094
	Receipt of services and leasing business by the Group from Liaoning Port Group	60,000	60,000	60,000	4,567
China Merchants RORO Group	Sale of goods and provision of services by the Group to China Merchants RORO Group	170,000	170,000	170,000	14,358
	Receipt of services by the Group from China Merchants RORO Group	30,000	30,000	30,000	–
Sinotrans Group	Sale of goods and provision of services by the Group to Sinotrans Group	170,000	245,000	190,000	–
	Receipt of services by the Group from Sinotrans Group	30,000	30,000	30,000	2

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) on 11 May 2022.

Chapter VIII Significant Events

(3) Continuing connected transactions/ordinary related-party transactions with CIMC Financial Leasing Co., Ltd.

On 23 November 2021, Shenzhen Capital Group, Shenzhen City Energy Group Co., Ltd.* (深圳市能源集團有限公司) (“Shenzhen City Energy Group”) and Tianjin Kairuikang Enterprise Management Consulting Partnership (Limited Partnership)* (天津凱瑞康企業管理諮詢合夥企業(有限合夥)) (“Tianjin Kairuikang”) intended to acquire shares in CIMC Financial Leasing Company through transfer of original shares and capital increase as strategic investors. Upon completion of the transaction, the registered capital of CIMC Financial Leasing Company will be increased from RMB1,428,652,000.00 to RMB1,481,376,856.83, which will be owned as to 53.3185% collectively by Shenzhen Capital Group and Shenzhen City Energy Group and 1.2497% by Tianjin Kairuikang, and the proportion of equity interest collectively held by the Company and CIMC HK in CIMC Financial Leasing Company will be decreased to 45.4318%, which constitutes disposal and deemed disposal under the Chapter 14 of the Hong Kong Listing Rules. The equity transfer and change in industrial and commercial registration were completed in May 2022. CIMC Financial Leasing Company was no longer consolidated into the consolidated statements of the Group and became an associate of the Group. On 11 May 2022, the seventh meeting in 2022 of the ninth session of the Board of the Company considered and approved the following matters:

- a. The Company and CIMC Financial Leasing signed the Framework Agreement on Sales of Commodities and Provision/Acceptance of Services (the “Commodity and Service Framework Agreement”) on 11 May 2022, pursuant to which, the Group will continuously supply goods and provide services to CIMC Financial Leasing and its subsidiaries, and receive services provided by CIMC Financial Leasing and its subsidiaries. The Commodity and Service Framework Agreement provided the proposed caps of ordinary related-party transactions from the effective date of the agreement to 31 December 2022 (the “Proposed Caps”). The Proposed Caps of continuing connected transactions/ordinary related-party transactions from the effective date of the Commodity and Service Framework Agreement to 31 December 2022 and the actual transaction amounts in June 2022 are shown below:

Unit: RMB100 million

Proposed Caps	From the effective date of the agreement to 31 December 2022	Actual transaction amounts in June 2022
Sale of goods and rendering of services by the Group to CIMC Financial Leasing and its subsidiaries	15.5	0.15
Acceptance of services by the Group from CIMC Financial Leasing and its subsidiaries	2	–

- b. On 11 May 2022, CIMC Finance Company and CIMC Financial Leasing entered into the Financial Service Framework Agreement. For details, please refer to “6. Transactions between Finance Companies Controlled by the Company and Related Parties” of “(I) Related-Party Transactions as Defined by Domestic Laws and Regulations” under “XI. Material Related-Party Transactions” in this chapter.

According to Chapter 6 of the Shenzhen Listing Rules, CIMC Financial Leasing and its subsidiaries are all affiliated legal persons of the Company, and the transactions between the Group and CIMC Financial Leasing under the Commodity and Service Framework Agreement and the Financial Service Framework Agreement constitute ordinary related-party transactions of the Company. For relevant information, please refer to the announcement published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) on 11 May 2022.

Chapter VIII Significant Events

(4) Continuing connected transactions with Shanghai International Port (Group) Co., Ltd.

On 23 June 2022, as considered and approved at the thirteenth meeting in 2022 of the ninth session of the Board of the Company, the Company entered into the Framework Agreement with SIPG to agree on the proposed caps in respect of the transactions for the three years from 1 January 2022 to 31 December 2024 (the "Proposed Caps"). The Group will continuously sell goods and provide services to SIPG Group, and receive services provided by SIPG Group. After the completion of the transaction regarding introduction of a strategic investor, SIPG, by CIMC Wetrans on 31 March 2022, SIPG holds 12% equity interests in CIMC Wetrans and is a substantial shareholder of CIMC Wetrans, which in turn is a significant subsidiary of the Company. Thus, SIPG and its subsidiaries have constituted connected persons of the Company at the subsidiary level since 31 March 2022. Therefore, the transactions between the Group and SIPG Group contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. The Proposed Caps of the continuing connected transactions agreed for the three years ending 31 December 2022, 2023 and 2024 and the actual transaction amounts for the six months ended 30 June 2022 are shown below:

Unit: RMB thousand

Scope of related-party transaction	For the year ending 31 December 2022	Proposed caps		Actual transaction amounts	
		For the year ending 31 December 2023	For the year ending 31 December 2024	From January to June 2022	
Sale of goods and provision of services by the Group to SIPG Group	400,000	400,000	500,000	26,391	
Receipt of services by the Group from SIPG Group	1,300,000	1,300,000	1,400,000	286,441	

Details of the Group's related-party transactions and connected transactions during the 2021 Annual Report period are set out in note VIII. 5 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in the 2021 Annual Report. Except for the connected transactions and continuing connected transactions as disclosed in "(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules" of "XIV. Material Related-party Transactions" of "Chapter X Significant Events" in the 2021 Annual Report, in respect of the connected transactions set out in note VIII. 5 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in the 2021 Annual Report which do not constitute connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules, there are no other connected transactions required to be disclosed pursuant to Chapter 14A of the Hong Kong Listing Rules. The Company further confirms that the connected transactions or continuing connected transactions have complied with the disclosure requirements in accordance with Chapter 14A of the Hong Kong Listing Rules.

Chapter VIII Significant Events

XII. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

Applicable Not Applicable

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

(2) Contracting

Applicable Not Applicable

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

(3) Leasing

Applicable Not Applicable

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

Chapter VIII Significant Events

2. Material Guarantees

√ Applicable □ Not Applicable

Unit: RMB thousand

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)										
Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related-party guarantee or not
Customers and distributors of subsidiaries of CIMC Vehicles (Group) Co., Ltd.	28 March 2022	3,600,000	1 January 2022	1,842,880	Warranty	Nil	Secured	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.	28 March 2022	20,000	1 January 2022	10,218	Warranty	Secured	Nil	1-2 years	No	No
Customers of Kunming CIMC Vehicle Park Development Co., Ltd.	28 March 2022	40,000	1 January 2022	0	Warranty	Nil	Nil	1-2 years	No	No
Customers of C&C Trucks Co., Ltd.	28 March 2022	1,000,000	1 January 2022	438,722	Warranty	Nil	Secured	1-2 years	No	No
Customers of CIMC Wetrans Logistics Technology (Group) Co., Ltd.	28 March 2022	200,000	1 January 2022	0	Warranty	Nil	Nil	1-2 years	No	No
Shenzhen CIMC Industry & City Development Group Co., Ltd.	28 March 2022	1,300,000	1 January 2022	586,127	Warranty	Nil	Secured	1-2 years	No	Yes
CIMC Financial Leasing Co., Ltd. (Note)	28 March 2022	4,800,000	1 January 2022	729,257	Warranty	Nil	Nil	1-2 years	No	Yes
Angang CIMC (Yingkou) New Energy Technology Co., Ltd.	28 March 2022	300,000	1 January 2022	0	Warranty	Nil	Nil	1-2 years	No	No
Yichuan Tianyun Clean Energy Co., Ltd.	28 March 2022	200,000	1 January 2022	0	Warranty	Nil	Secured	1-2 years	No	No
Total external guarantee facilities approved during the Reporting Period (A1)			11,460,000	Total actual amount of external guarantees during the Reporting Period (A2)						483,063
Total external guarantee facilities approved at the end of the Reporting Period (A3)			11,460,000	Total actual balance of external guarantees at the end of the Reporting Period (A4)						3,607,204

Chapter VIII Significant Events

The Company's guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related-party guarantee or not
Subsidiaries of CIMC (with gearing ratio of over 70%)	28 March 2022	19,500,000	1 January 2022	11,931,414	Warrantice	Nil	Partially secured	1-2 years	No	No
Subsidiaries of CIMC (with gearing ratio of less than 70%)	28 March 2022	8,500,000	1 January 2022	3,406,609	Warrantice	Nil	Partially secured	1-2 years	No	No
CIMC Fortune Holdings Limited	28 March 2022	30,000,000	1 January 2022	20,172,992	Warrantice	Nil	Nil	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)			58,000,000	Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)						4,211,269
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)			58,000,000	Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)						35,511,015

Chapter VIII Significant Events

Subsidiaries' guarantees for subsidiaries										
Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related-party guarantee or not
Guarantee of one subsidiary for another (with gearing ratio of over 70%)	28 March 2022	10,040,000	1 January 2022	7,255,165	Warrantice	Nil	Partially secured	1-2 years	No	No
Guarantee of one subsidiary for another (with gearing ratio of less than 70%)	28 March 2022	5,500,000	1 January 2022	1,860,585	Warrantice	Nil	Partially secured	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)			15,540,000	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)						3,382,664
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)			15,540,000	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)						9,115,750
Total guarantee of the Company (total of the above three items)										
Total guarantee facilities approved during the Reporting Period (A1+B1+C1)			85,000,000	Total actual guarantee amount during the Reporting Period (A2+B2+C2)						8,076,996
Total guarantee facilities approved at the end of the Reporting Period (A3+B3+C3)			85,000,000	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)						48,233,969
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company										101.92%
Of which:										
Guarantee balance provided to Shareholders, the de facto controller and related parties (D)										729,257
Debt guarantee balance provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)										39,945,698
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)										-
Total amount of the above three guarantees (D+E+F)										40,674,955
Guarantees which are not due but have incurred guarantee liability or are likely to incur joint settlement liability during the Reporting Period (if any)										Nil
Guarantees provided to the external parties in violation of the procedures (if any)										Nil

Note: CIMC Financial Leasing Company has been excluded from the Group's consolidated financial statements since May 2022, and the statistics of guarantee for CIMC Financial Leasing Company have been adjusted from guarantees for subsidiaries in annual report to external guarantees.

Guarantees provided in a combined manner:

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

Chapter VIII Significant Events

3. Entrusted Wealth Management

Applicable Not Applicable

Type	Source of funds for entrusted wealth management	Actual amount under entrusted wealth management	Outstanding balance	Overdue and unrecovered amount	Overdue and unrecovered amount for which impairment is provided
Bank's wealth management products	Funds in hand	RMB2.0 billion	-	-	-
Total		RMB2.0 billion	-	-	-

The specifics of high-risk entrusted wealth management with significant amount or low security, poor liquidity, and no guarantee for principal repayment.

Applicable Not Applicable

Expected irrecoverability of the principal under the entrusted wealth management and other cases that may lead to impairment of the entrusted wealth management.

Applicable Not Applicable

4. Material Contracts Related to Daily Operations

Applicable Not Applicable

5. Other Material Contracts

Applicable Not Applicable

Chapter VIII Significant Events

XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

The Company considered and approved the Resolution Regarding the Application for Registration and Issuance of Debt Financing Instrument of the Association of Financial Market Institutional Investors (《關於申請註冊發行銀行間市場交易商協會債務融資工具的議案》) at the annual general meeting of 2020 held on 2 June 2021, which approved the registration and issuance by the Company of multi-type debt financing instruments with the issuance size of each type not more than a total of RMB12 billion. According to the Notice of Acceptance of Registration (《接受註冊通知書》) (Zhong Shi Xie Zhu [2021] DFI No. 31) (“No. 31 Notice of Acceptance”) issued by the National Association of Financial Market Institution Investors, the Company has completed the issuance of the first tranche of medium term note for 2022 (the “Tranche I Medium Term Note”) on 18 February 2022. The proceeds raised from the Tranche I Medium Term Note were fully received on 18 February 2022. The issuance amount was RMB2 billion and the issue rate was 3.21% per annum. On 31 May 2022, the Company has completed the issuance of the first tranche green medium term note (blue bond) for 2022 (the “Tranche I Green Medium Term Note (Blue Bond)”) according to No. 31 Notice of Acceptance. The proceeds raised from the Tranche I Green Medium Term Note (Blue Bond) were fully received on 1 June 2022. The issuance amount was RMB0.5 billion and the issue rate was 2.60% per annum.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Completion of issuance of Tranche I Medium Term Note for 2022 and Tranche I Green Medium Term Note (Blue Bond) for 2022	29 March 2021, 2 June 2021, 18 February 2022 and 1 June 2022	www.cninfo.com.cn www.hkexnews.hk www.cimc.com

XIV. OTHER SIGNIFICANT EVENTS OF SUBSIDIARIES

Applicable Not Applicable

- At the first meeting in 2022 of the ninth session of the Board of the Company convened on 24 February 2022, the Company considered and approved the proposed spin-off and domestic initial public offering of RMB ordinary shares (A shares) of CIMC Wetrans, a controlling subsidiary, and the listing of CIMC Wetrans on the Shenzhen Stock Exchange (the “Spin-off and Listing”) and authorized the management of the Company and CIMC Wetrans to commence the preliminary preparatory work for the spin-off and listing of CIMC Wetrans. The Spin-off and Listing will not result in the loss of the Company’s control over CIMC Wetrans, will not have any substantial impact on the sustainable operation of the Group’s other business segments and will not impair the Company’s independent listing status and ability to maintain sustainable operation.

Chapter VIII Significant Events

- On 16 December 2021, the Board of the Company considered and approved the proposed further entering into of the Joint Venture Contract on Joint Establishment of Yantai CIMC Raffles Marine Technology Group Co., Ltd. (the "Joint Venture Contract") by CIMC Raffles Marine Engineering (Singapore) Pte Ltd. ("Singapore Raffles") (being a non-wholly owned subsidiary of the Company) and SCIMC (a wholly-owned subsidiary of the Company) with Yantai Guofeng Group. The parties will jointly fund the incorporation of the joint venture, Yantai CIMC Raffles Marine Technology Group Co., Ltd.* (煙台中集來福士海洋科技集團有限公司). On 23 May 2022, Singapore Raffles and SCIMC officially entered into the Joint Venture Contract with Yantai Guofeng Group.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Proposed spin-off and listing of the controlling subsidiary CIMC Wetrans	24 February 2022	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
Progress of entering into joint venture contract with Yantai Guofeng Group	30 June 2021, 16 December 2021 and 23 May 2022	

XV. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- On 4 July 2022, the Company received the written resignation from Mr. MING Dong. Mr. MING Dong has tendered his resignation from the position of Director of the Company due to job assignments, and he will not take any position in the Company upon his resignation of the aforesaid position. According to the relevant laws, regulations, regulatory rules and the Articles of Association of the Company, the resignation of Mr. MING Dong has taken effect when his written resignation was delivered to the Board of the Company.
- At the second meeting in 2022 of the tenth session of the supervisory committee of the Company convened on 15 July 2022, the Company considered and approved the Resolution Regarding the Proposal on the Spin-off and Listing of the Controlling Subsidiary CIMC Wetrans Logistics Technology (Group) Co., Ltd. on the Shenzhen Stock Exchange and other resolutions related to the Spin-off and Listing. The Spin-off and Listing has been considered and approved at the first extraordinary general meeting for 2022 of the Company on 3 August 2022.
- On 9 December 2021, the Company and Sinotrans & CSC Holdings Co., Ltd. ("Sinotrans & CSC", together with its subsidiaries "Sinotrans & CSC Group"), a related party of the Company, signed the Framework Agreement for Selling Goods and Providing/Accepting Services on routine related party transaction matters (the "Original Framework Agreement"), pursuant to which the Group would continuously provide Sinotrans & CSC Group with goods and services, and receive services to be provided by Sinotrans & CSC Group. The Original Framework Agreement stipulated the proposed cap amount of routine related party transactions between both parties (1) from 1 December 2021 to 31 December 2021; (2) for the year ending 31 December 2022; and (3) for the year ending 31 December 2023. Based on factors such as the actual transaction situation, the market economic environment, and the expected continuous high prices, the Company and Sinotrans & CSC expect that the annual caps originally set for 2022 and 2023 in the Original Framework Agreement might not be able to meet the future transaction needs of both parties. To this end, on 17 June 2022, the Company and Sinotrans & CSC signed the New Framework Agreement for Selling Goods and Providing/Accepting Services (the "New Framework Agreement"), which stipulated the proposed cap amount of routine related party transactions between both parties for the years ending 31 December 2022, 2023 and 2024. The Original Framework Agreement shall become invalid since the effective date of the New Framework Agreement. On 3 August 2022, such matter has been considered and approved at the first extraordinary general meeting of the Company for 2022.

Chapter VIII Significant Events

4. On 10 August 2022, it was considered and approved at the fourth meeting in 2022 of the tenth session of the Board of Company that, CIMC Capital Management Co., Ltd.* (中集資本管理有限公司) (hereinafter referred to as “CIMC Capital Management”), an indirect controlling subsidiary of the Company, and the professional investment institution Vanho Capital Investment Co., Ltd.* (萬和弘遠投資有限公司) (Note) (hereinafter referred to as “Vanho Capital”) entered into the Cooperation Framework Agreement for CIMC Hongyuan Advanced Manufacturing Industry Fund, proposing to cooperate to establish the “CIMC Hongyuan Advanced Manufacturing Industry Fund (中集弘遠先進製造產業基金)” (tentative name, subject to the approval of industry and commerce administration authorities, hereinafter referred to as the “Fund”). The total size of the Fund is RMB1 billion, to be raised in two tranches: the first tranche to be RMB100 million, RMB30 million of which is to be contributed by contributors of the CIMC Group, accounting for 30%; the second tranche to be RMB900 million, RMB270 million of which is to be contributed by contributors of the CIMC Group, accounting for 30% (hereinafter referred to as the “Joint Establishment of Fund”). On the same day, CIMC Capital Management, CIMC Capital Holdings Co. Ltd. (the controlling shareholder of CIMC Capital Management), a wholly-owned subsidiary of the Company, Vanho Capital, Shenzhen Capital Group and Changsha Qianzhilong Microelectronics Co., Ltd.* (長沙潛之龍微電子有限公司) entered into the Partnership Agreement for CIMC Hongyuan Advanced Manufacturing Industry Investment Partnership (Limited Partnership). Shenzhen Capital Group, the largest shareholder of the Company, is also an indirect controlling shareholder of Vanho Capital, and the Joint Establishment of Fund therefore constitutes a connected transaction of the Company.

Note: As one of the investment platforms under Shenzhen Capital Group, a state-owned capital operation platform in Shenzhen, Vanho Capital is the main platform for the doubling plan of state-owned assets management scale in Shenzhen and also an important platform for the incremental layout of strategic emerging industries, which focuses on industrial investment and carries out M&A investment and venture capital investment in a coordinated manner. At the same time, Vanho Capital provides value-added services such as industrial synergy, resource matching and financial services to the Fund invested enterprises by leveraging the rich financial and industrial resources formed by Shenzhen state-owned assets and the shareholders. The Company’s decision to cooperation with Vanho Capital, a professional investment institution, is mainly based on the shareholder relationship with its controlling shareholder, Shenzhen Capital Group, with an aim to fully gather and utilize the advantages of Shenzhen Capital Group, as a professional capital operation platform wholly-owned by Shenzhen state-owned capital, in the fields of industrial funds, project operation and channel construction, which mainly include the following:

- (1) State-owned assets background and well-established strength of shareholders. Shenzhen Capital Group, the de facto controlling shareholder of Vanho Capital, is a state-owned capital operation platform 100% wholly-owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal. As a state-owned enterprise in Shenzhen, it can deeply explore cooperation opportunities with more than 1,600 enterprises and 30 listed companies in the state-owned assets system of Shenzhen. By the end of 2020, Shenzhen Capital Group managed industrial funds of more than RMB40 billion and was entrusted to participate in the management of Shenzhen Private Enterprise Stable Development Fund (深圳市民營企業平穩發展基金) in the amount of RMB100 billion. At present, Shenzhen Capital Group has 21 strategic invested unlisted enterprises and 7 listed companies, and participated in 26 industrial funds, forming an industrial layout mainly in high-end financial services and emerging industries. As the de facto controlling shareholder of Vanho Capital, Shenzhen Capital Group provides abundant capital and project resources support, and serves as the cornerstone investor of Vanho Capital.

Chapter VIII Significant Events

- (2) Professional investment team. Vanho Capital has a professional investment team, while Shenzhen Capital Group can output talents to Vanho Capital and owns excellent industrial resources integration and capital market operation capabilities. Through researching the current situation of the industry market and judging future industrial trends, it can grasp the investment direction and explore potential investment opportunities. Up to now, the total scale of funds under management of Vanho Capital is approximately RMB200 million. In particular, it has invested in a fund under ALLYSTAR, a leading hard and core technology company investing in the field of Beidou high precision navigation positioning chips, which increased the valuation over 200% of the target company in the new round of financing. In the future, Vanho Capital intends to set up a new energy industry fund in cooperation with other parties, so as to invest in centralized wind power and photovoltaic operation projects with a total fund size of RMB3 billion.
 - (3) Robust investment strategy. Vanho Capital insists on robust investment based on full demonstration, selects high-quality investment projects, and strictly controls the decision-making process. Vanho Capital focuses on industries in line with national industrial policies and national economic development strategies by keeping abreast with the changing development trends of China's capital market and understanding the laws of corporate growth and industry trends, and is committed to creating lucrative returns for its investors.
5. At the fourth meeting in 2022 of the ninth session of the Board and the first meeting in 2022 of the ninth session of the supervisory committee convened on 28 March 2022 by the Company, the Resolution Regarding the Proposal on Profit Distribution for the Year 2021 and the High-proportion Transfer Plan was considered and approved and it is agreed that the profit distribution plan for 2021 is as follows: to distribute cash dividends to all Shareholders registered in the register of members of the Company on dividend registration date based on the number of shares on the dividend registration date: to distribute a dividend of RMB6.9 per 10 shares (inclusive of tax) in cash without bonus shares and additional 5 new shares will be issued to all Shareholders for every 10 shares held by way of capitalization of capital reserve. The profit distribution plan for 2021 was considered and approved at the 2021 annual general meeting, the first class meeting of the holders of A Shares for 2022 and the first class meeting of the holders of H Shares for 2022 convened on 28 June 2022. The Company completed dividend payment for 2021 on 18 August 2022.
6. On 27 September 2021, as considered at the twenty-third meeting in 2021 of the ninth session of the Board of the Company, the Company and A.P. Møller – Mærsk A/S (“APMM”) entered into a share purchase agreement. The Company proposed to purchase Maersk Container Industry (“MCI”) of APMM, and MCI comprises two entities: Maersk Denmark Industry (丹麥馬士基工業公司) and Maersk Qingdao Container Industry Co., Ltd. (青島馬士基集裝箱工業有限公司) (the “Transaction”). Currently, due to the huge uncertainty in the centralised review of operators, it may lead to the failure to achieve the conditions precedent to the Transaction stipulated in the share purchase agreement. Therefore, after comprehensive and prudent assessment, the parties decided to terminate the Transaction on 25 August 2022. The Company is actively negotiating and communicating with APMM in respect of the Company's compensation obligations arising from the termination of the Transaction, and evaluating the financial impact on the Company. The termination of the Transaction will not have a material adverse impact on the Group's main business operations.

Chapter VIII Significant Events

7. On 14 April 2022, as considered and approved at the fifth meeting in 2022 of the ninth session of the Board of the Company, CIMC Transportation Technology intended to introduce Yuanzhi Venture Capital, Yuanzhi Ruixin and Xinfuhui XV as strategic investors. Upon completion of the transaction, the Company's shareholding in CIMC Transportation Technology reduced from 70.9238% to 67.3334%. As at 29 August 2022, the first round of capital increase was completed. As CIMC Transportation Technology realized a solid growth in its results in the first half of 2022 and achieved substantial breakthroughs in new product development, new customers or industry expansion, the investors intent to implement the second round of capital increase to CIMC Transportation Technology as they remain positive about CIMC Transportation Technology's development prospects. On 29 August 2022 (after trading hours), by way of entering into the investment agreement and the shareholders agreement, HSUM (Note), Yuanzhi Venture Capital, Yuanzhi Ruixin and Xinfuhui XV, as parties to the capital increase, agreed to increase the capital of CIMC Transportation Technology. After the completion of the second round of capital increase, the Company's shareholding in CIMC Transportation Technology will be reduced from 67.3334% to 63.5799%. CIMC Transportation Technology will remain a non-wholly owned subsidiary of the Group.

Note: HSUM is a private company limited by shares established in Hong Kong, and is principally engaged in investment activities. HSUM is owned by investment funds managed by Hillhouse Investment Management, Ltd. ("Hillhouse") with a wide investor base. Affiliates of Hillhouse are licensed by the Hong Kong Securities and Futures Commission to operate in Hong Kong. As at the date of this Report, the management company and shareholders of HSUM are all third parties independent of the Company.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Resignation of Director	4 July 2022	www.cninfo.com.cn
Consideration and approval of the Resolution Regarding the Proposal on the Spin-off and Listing of the Controlling Subsidiary CIMC Wetrans Logistics Technology (Group) Co., Ltd. on the Shenzhen Stock Exchange and other related resolutions	15 July 2022, 3 August 2022	www.hkexnews.hk www.cimc.com
Estimate of ordinary related-party transactions with Sinotrans & CSC Holdings Co., Ltd.	3 August 2022	
Joint establishment of an industry fund by a subsidiary and a professional institution	10 August 2022	
Profit distribution for the year 2021	18 August 2022	
Termination of purchase of Maersk Container Industry	25 August 2022	
CIMC Transportation Technology's introduction of strategic investors	29 August 2022	

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

I. CHANGES IN SHAREHOLDINGS DURING THE REPORTING PERIOD

1. Changes in Shareholdings

Unit: Share

	Pre-movement (As at 31 December 2021)		Increase/decrease (+/-) Conversion					Post-movement (As at 30 June 2022)	
	Number of shares	Percentage	New issue	Bonus issue	from reserves	Others	Sub-total	Number of shares	Percentage
I. Shares with selling restrictions	850,232	0.02%	0	0	0	0	0	850,232	0.02%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned companies	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	850,232	0.02%	0	0	0	0	0	850,232	0.02%
Including: Shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	850,232	0.02%	0	0	0	0	0	850,232	0.02%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	3,594,163,358	99.98%	0	0	0	0	0	3,594,163,358	99.98%
1. RMB-denominated ordinary shares (A Shares)	1,534,271,428	42.68%	0	0	0	0	0	1,534,271,428	42.68%
2. Shares traded in non-RMB currencies and listed domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares traded in non-RMB currencies and listed overseas (H Shares)	2,059,891,930	57.30%	0	0	0	0	0	2,059,891,930	57.30%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	3,595,013,590	100.00%	0	0	0	0	0	3,595,013,590	100.00%

Approval for changes in share capital

Applicable Not Applicable

Transfer for changes in shares

Applicable Not Applicable

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

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

Applicable Not Applicable

	Item	Pre-movement in shares (RMB/share)	Post-movement in shares (RMB/share)
2021	Basic earnings per share	1.81	1.81
	Diluted earnings per share	1.80	1.80
	Net assets per share attributable to Shareholders and other owners of equity interests of the parent (total shares based on ordinary shares outstanding at the end of the period)	12.55	12.55
The first half of 2022	Basic earnings per share	0.6996	0.6996
	Diluted earnings per share	0.6893	0.6893
	Net assets per share attributable to Shareholders and other owners of equity interests of the parent (total shares based on ordinary shares outstanding at the end of the period)	13.16	13.16

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

Applicable Not Applicable

2. Changes in Shares with Selling Restrictions

Applicable Not Applicable

Unit: Share

Name of Shareholders	Number of shares with selling restrictions at the beginning of the Period	Number of shares with selling restrictions expired in the Period	Increase in number of shares with selling restrictions in the Period	Number of shares with selling restrictions at the end of the Period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai Boliang (Note)	445,232	0	0	445,232	Shares are subject to selling restrictions in accordance with relevant provisions of stock exchanges and clearing companies.	Nil
Huang Tianhua (Note)	405,000	0	0	405,000	Same as above	Nil
Total	850,232	0	0	850,232	-	-

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

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

II. ISSUE AND LISTING OF SECURITIES

Applicable Not Applicable

III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

The total number of Shareholders of the Company as at 30 June 2022 was 106,314, including 106,286 holders of A Shares and 28 registered holders of H Shares.

Unit: Share

Total ordinary Shareholders at the end of the Reporting Period	Total: 106,314 (Including: A Shares: 106,286, H Shares: 28)	Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any)	0
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Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Shareholdings of the ordinary Shareholders who held 5% or above or the top ten ordinary Shareholders								
Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of ordinary shares held at the end of the Reporting Period (Shares)	Changes during the Reporting Period (Shares)	Number of ordinary shares held with selling restrictions (Shares)	Number of ordinary shares held without selling restrictions (Shares)	Pledged, marked or frozen shares	
							Status	Number
HKSCC (Note 1)	Foreign legal person	59.02%	2,121,748,059	(10,460,521)	-	2,121,748,059	-	-
Shenzhen Capital Group (Note 2)	State-owned legal person	9.74%	350,000,000	-	-	350,000,000	-	-
COSCO SHIPPING Development Co., Ltd.	State-owned legal person	1.92%	68,908,300	(19,885,400)	-	68,908,300	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No. 9 Yiluo private equity investment fund	Domestic non-state-owned legal person	1.21%	43,606,953	80,600	-	43,606,953	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No. 10 private equity fund	Domestic non-state-owned legal person	0.96%	34,656,786	(1,163,900)	-	34,656,786	-	-
MIAO Yanfen (苗艷芬)	Domestic natural person	0.84%	30,081,857	-	-	30,081,857	-	-
COSCO Container Industries Limited	Foreign legal person	0.74%	26,725,951	(14,353,500)	-	26,725,951	-	-
CITIC – Prudential Life Insurance Co., Ltd. – participating products (Note 3)	Domestic non-state-owned legal person	0.55%	19,733,298	-	-	19,733,298	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No. 4 private equity fund	Domestic non-state-owned legal person	0.54%	19,457,005	(27,100)	-	19,457,005	-	-
FU Xuan (付璇)	Domestic natural person	0.38%	13,764,984	38,242	-	13,764,984	-	-
Strategic investors or ordinary legal persons who became top ten ordinary Shareholders due to placing of new shares (if any)		None						
Explanation on the relationship or concerted action of the above Shareholders		Unknown						
Explanation on above shareholders' delegation of/being entrusted with and waiver of voting rights		Not applicable						
Special explanation on the existence of repurchase dedicated accounts among the top ten Shareholders (if any)		Not applicable						

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Shareholdings of top ten ordinary Shareholders without selling restrictions

Name of Shareholders	Number of ordinary shares without selling restrictions held at the end of the Reporting Period	Type of shares	Number
HKSCC (Note 1)	2,059,769,740	Overseas-listed foreign shares	2,059,769,740
	61,978,319	RMB ordinary shares	61,978,319
Shenzhen Capital Group (Note 2)	350,000,000	RMB ordinary shares	350,000,000
COSCO SHIPPING Development Co., Ltd.	68,908,300	RMB ordinary shares	68,908,300
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No. 9 Yiluo private equity investment fund	43,606,953	RMB ordinary shares	43,606,953
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No. 10 private equity fund	34,656,786	RMB ordinary shares	34,656,786
MIAO Yanfen (苗艷芬)	30,081,857	RMB ordinary shares	30,081,857
COSCO Container Industries Limited	26,725,951	RMB ordinary shares	26,725,951
CITIC – Prudential Life Insurance Co., Ltd. – participating products (Note 3)	19,733,298	RMB ordinary shares	19,733,298
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No. 4 private equity fund	19,457,005	RMB ordinary shares	19,457,005
FU Xuan (付璇)	13,764,984	RMB ordinary shares	13,764,984
Explanation on the relationship or concerted action between the top ten Shareholders of circulating shares without selling restrictions, or the top ten Shareholders of circulating shares without selling restrictions and the top ten Shareholders	Unknown		
Explanation on the top ten ordinary Shareholders participating in financing securities business (if any)	Nil		

Note 1: As at 30 June 2022, HKSCC holds 2,121,748,059 shares of the Company, comprising 61,978,319 A shares held by Hong Kong Securities Clearing Company Limited, being the nominal holder of the A shares held by the non-registered shareholders of the Company, and 2,059,769,740 H shares held by HKSCC NOMINEES LIMITED, being the nominal holder of the H shares held by the non-registered shareholders of the Company. The H shares registered under HKSCC Nominees Limited include (but not limited to) 880,429,220 H shares held by China Merchants Group through its subsidiaries (including China Merchants (CIMC) Investment etc.), 719,089,532 H shares directly held by Shenzhen Capital Group through its wholly-owned subsidiary Shenzhen Capital (Hong Kong) and the 177,327,180 H shares held by CITIC-Prudential Life Insurance Co., Ltd.

Note 2: As at 30 June 2022, Shenzhen Capital Group held 719,089,532 H shares of the Company which were registered under HKSCC NOMINEES LIMITED (see Note 1 above) and 350,000,000 A shares of the Company.

Note 3: As at 30 June 2022, CITIC-Prudential Life Insurance Co., Ltd. held 19,733,298 A shares of the Company and another 177,327,180 H shares of the Company registered in the name of HKSCC NOMINEES LIMITED (see Note 1 above) as mentioned above.

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

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

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

Name	Position	Status	Number of shares held at the beginning of the Reporting Period (shares)	Increase in the number of shares held during the Reporting Period (shares)	Decrease in the number of shares held during the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Number of restricted shares		Number of restricted shares granted at the end of the Reporting Period (shares)
							Number of shares granted at the beginning of the Reporting Period (shares)	Number of shares granted during the Reporting Period (shares)	
Mai Boliang	Chairman, executive director and CEO	Current	593,643	0	0	593,643	0	0	0
Huang Tianhua	Vice president	Current	540,000	0	0	540,000	0	0	0
Total	-	-	1,133,643	0	0	1,133,643	0	0	0

V. CHANGE OF CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLER

1. Controlling Shareholders of the Company

Applicable Not Applicable

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

2. De Facto Controller

Applicable Not Applicable

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

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

VI. DISCLOSURE OF SHAREHOLDINGS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES UNDER THE SECURITIES AND FUTURES ORDINANCE (THE "SFO") OF HONG KONG

So far as the Directors are aware, as at 30 June 2022, the persons other than a director, supervisor and chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company according to record of the register of interests and short positions in shares required to be kept under Section 336 of the SFO of Hong Kong are as follows:

Name of shareholder	Nature of shares	Number of shares (shares)	Capacity	Percentage of such shares in the issued shares of the same class (%)	Percentage of such shares in the total issued shares (%)
Shenzhen Capital Group (Note 1)	A shares	350,000,000 (L)	Interest of corporation controlled by the substantial shareholder	22.80%	9.74%
	H shares	719,089,532 (L)	Interest of corporation controlled by the substantial shareholder	34.91%	20.00%
China Merchants Group (Note 2)	H shares	880,429,220 (L)	Interest of corporation controlled by the substantial shareholder	42.74%	24.49%
CITIC – Prudential Life Insurance Co., Ltd.	A shares	19,733,298 (L)	Beneficial holder	1.29%	0.55%
	H shares	177,327,180 (L)	Beneficial holder	8.61%	4.93%

(L) Long position

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

Note 2: As at 30 June 2022, China Merchants Group Limited (招商局集團有限公司), through its subsidiaries (including China Merchants (CIMC) Investment Limited etc.), holds an interest in the H shares of the Company, and all the 880,429,220 H shares (L) are held in the capacity as interest of corporation controlled by the substantial shareholder.

Save as disclosed above and so far as the directors are aware, as at 30 June 2022, no other person (other than a director, supervisor or chief executive of the Company) had any interests recorded in the register of interests and short positions in shares required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong.

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Information on Substantial Shareholders:

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

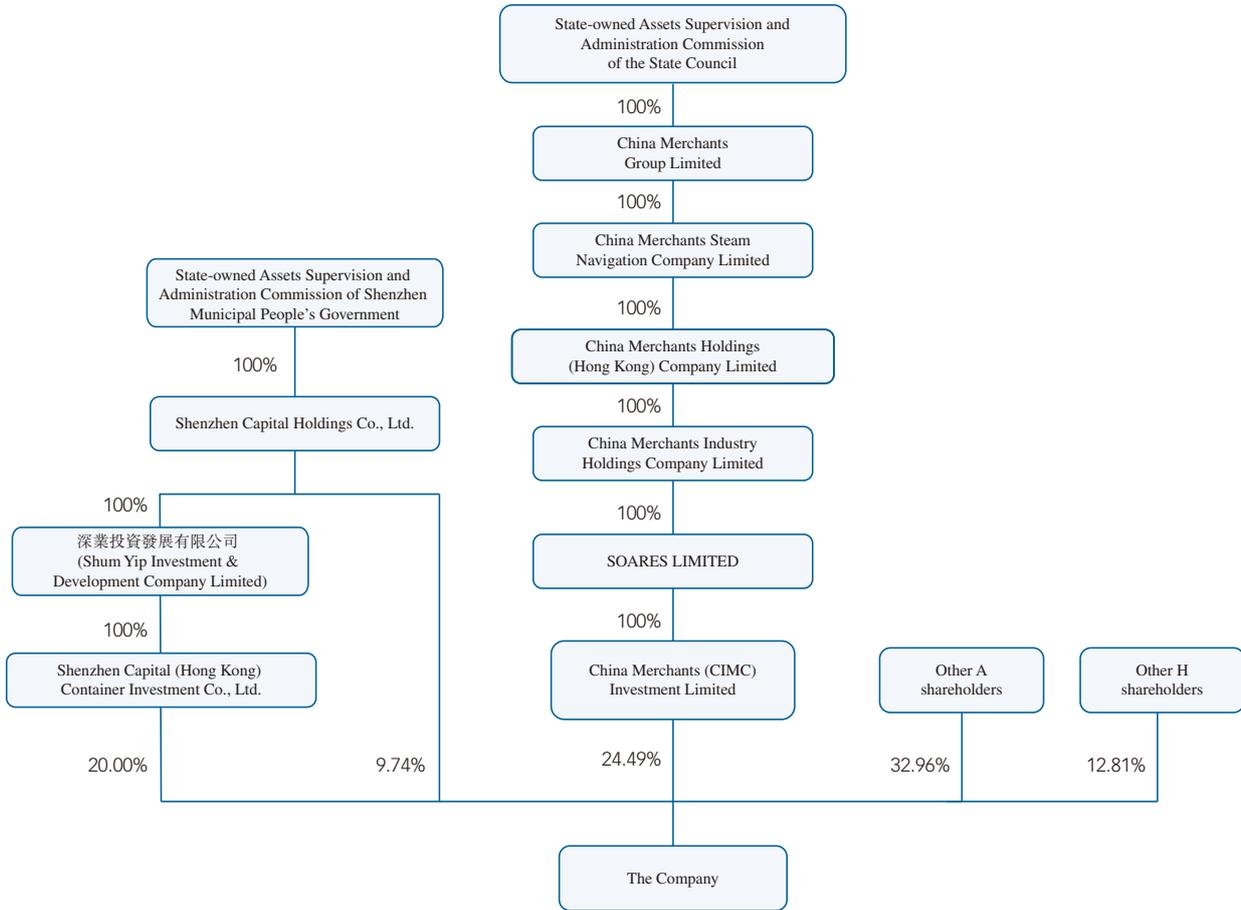
Shenzhen Capital Group was incorporated in the PRC in June 2007 with a registered capital of RMB14.62 billion and Mr. HU Guobin as its legal representative. Shenzhen Capital Group is the only state-owned municipal capital operation company in Shenzhen and one of the five municipal enterprises in Shenzhen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

China Merchants Group was incorporated in October 1986 in the PRC. Its registered capital is RMB16.9 billion and its chairman of the board of directors is Mr. MIAO Jianmin. China Merchants Group’s main business focuses on transportation and logistics, comprehensive finance, urban and industrial park integrated development, as well as big health, testing and other new industries invested in recent years. As of the end of the Reporting Period, China Merchants Group through China Merchants (CIMC) Investment Limited, one of its subsidiaries, held 24.49% of the issued shares of the Company and was the second largest shareholder of the Company.

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

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Chart of shareholding relationships between the Company and the substantial Shareholders as at the end of the Reporting Period



Chapter IX Changes in Share Capital and Information on Substantial Shareholders

VII. SUFFICIENCY OF PUBLIC FLOAT

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

VIII. PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

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

IX. RELEVANT INFORMATION ABOUT PREFERRED SHARES

Applicable Not Applicable

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

Chapter X Bonds

Applicable Not Applicable

I. CORPORATE BONDS

Applicable Not Applicable

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

II. CORPORATION BONDS

Applicable Not Applicable

1. BASIC INFORMATION OF CORPORATION BONDS

Unit: RMB/a hundred million

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Value date	Maturity date	Balance of Bonds	Interest rate	Method to repay principal and pay interest	Trading places
China International Marine Containers (Group) Co., Ltd. on 2019 public offering of corporation bonds (tranche 1) for qualified investors	19 Haiji 01	112979.SZ	15 October 2019	15 October 2019	15 October 2022	20	3.63%	The interest of the Bonds shall be paid annually without compound interest and the principal and interest shall be repaid on maturity.	Shenzhen Stock Exchange
Arrangement to ensure the suitability of investors (if any)	Offered to the qualified investors by means of the public issue								
Applicable trading mechanism	Centralized Quotation System and Integrated Negotiated Trading Platform of the Shenzhen Stock Exchange								
Risk of delisting (if any) and countermeasures	No								

OVERDUE BONDS

Applicable Not Applicable

Chapter X Bonds

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

Applicable Not Applicable

3. ADJUSTMENT OF CREDIT RATING RESULTS DURING THE REPORTING PERIOD

Applicable Not Applicable

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

Applicable Not Applicable

III. NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT

Applicable Not Applicable

Chapter X Bonds

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

Unit: RMB/a hundred million

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Value date	Maturity date	Balance of Bonds	Interest rate	Method to repay principal and pay interest	Trading places
2022 first tranche green medium-term note (blue bond) of China International Marine Containers (Group) Co., Ltd.	22 Hai Yun Ji Zhuang GNO01 (blue bond)	132280052.IB	30 May 2022	1 June 2022	1 June 2025	5	2.60%	The medium-term notes are payable annually and the principal is paid in a lump sum on the maturity date.	Shanghai Clearing House
2022 medium-term notes (MTN) first tranche of China International Marine Containers (Group) Co., Ltd.	22 Hai Yun Ji Zhuang MTN001	102280282.IB	16 February 2022	18 February 2022	No fixed maturity date	20	3.21%	The interest of the bonds is paid annually if the issuer does not exercise the right of deferred payment of interest. There is no definite principal repayment date for the bonds, and the issuer will repay the principal and all outstanding interest on the redemption date.	Shanghai Clearing House
2019 medium-term notes (MTN) second tranche of China International Marine Containers (Group) Co., Ltd.	19 Hai Yun Ji Zhuang MTN002	101901337.IB	8 October 2019	10 October 2019	10 October 2022	20	3.64%	The medium-term notes are payable annually and the principal is paid in a lump sum on the maturity date.	Shanghai Clearing House
Arrangement to ensure the suitability of investors (if any)	Offered to the investors by means of the public issue								
Applicable trading mechanism	On-exchange transaction								
Risk of delisting (if any) and countermeasures	No								

OVERDUE BONDS

Applicable Not Applicable

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

Applicable Not Applicable

Chapter X Bonds

3. ADJUSTMENT OF CREDIT RATING RESULTS DURING THE REPORTING PERIOD

Applicable Not Applicable

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

Applicable Not Applicable

IV. CONVERTIBLE CORPORATE BONDS

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Items	As of the end of the Reporting Period	As of the end of last year	Percentage of change
Current ratio	1.29	1.17	10.26%
Gearing ratio	62%	63%	(1.00%)
Quick ratio	1.00	0.89	12.36%

	During the Reporting Period	During the same period of last year	Percentage of change
Net profit after deducting non-recurring profit or loss (RMB thousand)	2,697,578	3,648,549	(26.06%)
Debt-to-EBITDA ratio	0.17	0.20	(15.00%)
Interest coverage ratio	8.91	10.13	(12.04%)
Cash interest coverage ratio	12.27	10.95	12.05%
EBITDA interest coverage ratio	12.19	12.27	(0.65%)
Loan repayment ratio	100%	100%	0.00%
Interest repayment ratio	100%	100%	0.00%

Chapter XI 2022 Interim Financial Report (Unaudited)

Whether the interim report has been audited or not

Yes No

The 2022 Interim Financial Report of the Company has not been audited.

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2022	31 December 2021
ASSETS			
Current assets:			
Cash at bank and on hand	IV.1	22,156,858	16,442,733
Financial assets held for trading	IV.2	936,611	445,432
Derivative financial assets	IV.3	178,122	562,027
Notes receivables	IV.4	839,934	947,968
Accounts receivables	IV.5	27,023,889	25,491,181
Receivables financing	IV.6	657,388	1,048,244
Advances to suppliers	IV.8	4,899,999	3,447,421
Other receivables	IV.7	8,773,323	4,779,626
Inventories	IV.9	20,379,780	19,837,123
Contract assets	IV.10	3,769,166	2,821,340
Current portion of non-current assets	IV.11	59,704	3,707,125
Other current assets	IV.12	1,545,112	1,927,159
Total current assets		91,219,886	81,457,379
Non-current assets:			
Long-term receivables	IV.15	60,747	7,918,001
Long-term equity investments	IV.16	10,118,308	8,469,457
Other equity investments	IV.13	1,054,079	1,167,141
Other non-current financial assets	IV.14	350,556	330,600
Investment properties	IV.17	1,439,283	1,386,085
Fixed assets	IV.18	34,806,183	34,995,382
Construction in progress	IV.19	9,813,356	9,071,776
Intangible assets	IV.20	4,425,023	4,543,742
Right-of-use assets	IV.21	916,233	864,559
Development expenditures	IV.20	31,156	–
Goodwill	IV.22	2,288,016	2,268,466
Long-term prepaid expenses	IV.23	529,202	503,454
Deferred tax assets	IV.24	1,121,752	1,265,807
Other non-current assets	IV.25	176,849	80,652
Total non-current assets		67,130,743	72,865,122
TOTAL ASSETS		158,350,629	154,322,501

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2022

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2022	31 December 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.28	7,853,887	7,204,671
Derivative financial liabilities	IV.3	1,181,756	691,856
Financial liabilities held for trading		45,516	38,134
Notes payables	IV.29	4,099,526	5,215,721
Accounts payables	IV.30	19,844,806	17,504,738
Advances from customers	IV.31	3,348	16,941
Contract liabilities	IV.32	9,745,578	7,427,329
Employee benefits payable	IV.33	4,433,138	4,534,703
Taxes payable	IV.34	1,816,910	2,870,290
Other payables	IV.35	9,252,834	9,382,139
Provisions	IV.36	1,496,829	1,424,793
Current portion of non-current liabilities	IV.37	10,511,189	12,434,293
Other current liabilities	IV.38	518,567	676,994
Total current liabilities		70,803,884	69,422,602
Non-current liabilities:			
Long-term borrowings	IV.39	19,925,581	21,651,730
Debentures payable	IV.40	1,811,041	1,234,980
Lease Liabilities	IV.41	501,737	442,036
Long-term payables		92,475	829
Deferred income	IV.42	995,291	976,247
Deferred tax liabilities	IV.24	3,530,721	3,610,921
Other non-current liabilities	IV.43	10,516	3,066
Total non-current liabilities		26,867,362	27,919,809
Total liabilities		97,671,246	97,342,411
Shareholders' equity:			
Share capital	IV.44	3,595,014	3,595,014
Other equity instruments	IV.45	2,023,335	–
Including: Perpetual bonds		2,023,335	–
Capital reserve	IV.46	5,923,953	5,524,096
Other comprehensive income	IV.47	535,750	784,890
Surplus reserve	IV.48	3,587,597	3,587,597
Undistributed profits	IV.49	31,661,654	31,627,036
Total equity attributable to shareholders and other equity holders of the Company		47,327,303	45,118,633
Minority interests		13,352,080	11,861,457
Total shareholders' equity		60,679,383	56,980,090
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		158,350,629	154,322,501

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

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

Chapter XI 2022 Interim Financial Report (Unaudited)

BALANCE SHEET

AS AT 30 JUNE 2022

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2022	31 December 2021
ASSETS			
Current assets:			
Cash at bank and on hand	XVIII.1	8,877,911	3,096,658
Derivative financial assets	XVIII.2	6,565	67,817
Accounts receivables		71,406	36,562
Other receivables	XVIII.3	24,949,467	24,337,668
Total current assets		33,905,349	27,538,705
Non-current assets:			
Other equity investments	XVIII.4	645,429	652,408
Long-term equity investments	XVIII.5	12,803,184	13,042,921
Investment properties		118,573	118,573
Fixed assets	XVIII.6	116,201	121,927
Construction in progress		48,005	35,208
Intangible assets		126,431	134,292
Long-term prepaid expenses		1,155	1,337
Total non-current assets		13,858,978	14,106,666
TOTAL ASSETS		47,764,327	41,645,371

Chapter XI 2022 Interim Financial Report (Unaudited)

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2022

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2022	31 December 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	XVIII.7	–	360,000
Derivative financial liabilities	XVIII.2	2,353	939
Employee benefits payable		270,023	277,511
Taxes payable	XVIII.8	9,617	14,970
Other payables	XVIII.9	8,937,908	7,117,247
Current portion of non-current liabilities	XVIII.10	7,983,734	9,355,935
Total current liabilities		17,203,635	17,126,602
Non-current liabilities:			
Long-term borrowings	XVIII.11	2,896,306	3,850,904
Debentures payable	XVIII.12	501,083	–
Deferred income		4,809	6,450
Total non-current liabilities		3,402,198	3,857,354
Total liabilities		20,605,833	20,983,956
Shareholders' equity:			
Share capital	IV.44	3,595,014	3,595,014
Other equity instruments	IV.45	2,023,335	–
Including: Perpetual bonds		2,023,335	–
Capital reserve	XVIII.14	2,812,956	2,812,956
Other comprehensive income	XVIII.15	376,192	383,171
Surplus reserve	IV.48	3,587,597	3,587,597
Undistributed profits	XVIII.16	14,763,400	10,282,677
Total equity attributable to shareholders and other equity holders		27,158,494	20,661,415
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		47,764,327	41,645,371

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
I. Revenue	IV.50	72,126,258	73,184,549
Less: Cost of sales	IV.50	61,198,794	61,041,954
Taxes and surcharges	IV.51	262,488	265,473
Selling and distribution expenses	IV.52	1,181,249	1,074,778
General and administrative expenses	IV.53	3,385,359	2,811,454
Research and development expenses	IV.54	1,043,695	935,346
Financial expenses	IV.55	(115,513)	826,403
Including: Interest expenses		562,213	716,122
Interest income		150,111	139,818
Asset impairment losses	IV.61	45,803	111,089
Credit losses	IV.62	133,285	157,053
Add: Other income	IV.60	200,576	251,849
Investment income	IV.58	170,092	681,913
Including: Share of (loss)/profit of associates and joint ventures		(33,580)	(97,261)
Fair value gains/(losses)	IV.57	(911,252)	(125,914)
Gains on disposals of assets	IV.59	3,007	120,528
II. Operating profit		4,453,521	6,889,375
Add: Non-operating income	IV.63	80,720	56,763
Less: Non-operating expenses	IV.64	36,141	86,925
III. Profit before income tax		4,498,100	6,859,213
Less: Income tax expenses	IV.65	1,264,012	1,813,717
IV. Net profit		3,234,088	5,045,496
Classified by business continuity			
Net profit from continuing operations		3,316,194	4,934,149
Net profit from discontinued operations	XIII	(82,106)	111,347
Classified by ownership			
Owners of the Company		2,538,512	4,297,459
Non-controlling interests		695,576	748,037

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the period from 1 January 2022 to 30 June 2022

(All amounts in RMB'000 unless otherwise stated)

	Note	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
V. Other comprehensive income, net of tax	IV.47	(313,101)	(138,910)
Attributable to shareholders and other equity holders of the Company		(249,140)	(107,841)
Items that will not be reclassified to profit or loss		(107,081)	(61,155)
Changes in value of other equity investments		(107,081)	(61,155)
Items that may be reclassified subsequently to profit or loss		(142,059)	(46,686)
Transfer of other comprehensive income from the sale of investment real estate		7,231	–
Currency translation differences		(149,290)	(46,686)
Minority interests		(63,961)	(31,069)
VI. Total comprehensive income		2,920,987	4,906,586
Attributable to shareholders and other equity holders of the Company		2,289,372	4,189,618
Minority interests		631,615	716,968
VII. Earnings per share			
Basic earnings per share (RMB)	IV.66	0.6996	1.1673
Diluted earnings per share (RMB)	IV.66	0.6893	1.1670

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2022 Interim Financial Report (Unaudited)

INCOME STATEMENT

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
I. Revenue	XVIII.17	147,475	216,129
Less: Cost of sales	XVIII.17	–	3,097
Taxes and surcharges		2,947	3,257
General and administrative expenses	XVIII.19	182,701	160,368
Research and development expenses	XVIII.19	273	–
Financial expenses	XVIII.18	(14,774)	434,894
Including: Interest expenses		300,578	351,469
Interest income		34,777	12,751
Credit losses		–	93,295
Add: Other income		(872)	3,459
Investment income	XVIII.20	7,070,353	4,904,356
Fair value gains/(losses)		(62,667)	(17,948)
Gains/(losses) of disposal of assets		(23)	(114)
II. Operating profit		6,983,119	4,410,971
Add: Non-operating income		1,583	3,168
Less: Non-operating expense	XVIII.21	85	–
III. Profit before income tax		6,984,617	4,414,139
Less: Income tax expenses	XVIII.22	–	–
IV. Net profit		6,984,617	4,414,139
Classified by business continuity			
Net profit from continuing operations		6,984,617	4,414,139
Net profit from discontinued operations		–	–
V. Other comprehensive income, net of tax	XVIII.15	(6,979)	18,047
Items that will not be reclassified to profit or loss		(6,979)	18,047
Changes in value of other equity investments		(6,979)	18,047
VI. Total comprehensive income		6,977,638	4,432,186

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2022 to 30 June 2022

(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		72,864,568	62,553,333
Refund of taxes and surcharges		2,858,814	2,442,251
Cash received relating to other operating activities	IV.67(1)	1,587,903	4,150,716
Sub-total of cash inflows		77,311,285	69,146,300
Cash paid for goods and services		62,111,650	52,804,749
Cash paid to and on behalf of employees		5,934,476	5,665,534
Payments of taxes and surcharges		3,740,761	2,172,485
Cash paid relating to other operating activities	IV.67(2)	1,889,008	2,242,473
Sub-total of cash outflows		73,675,895	62,885,241
Net cash inflows from operating activities	IV.68(1)	3,635,390	6,261,059
II. Cash flows from investing activities			
Cash received from disposal of investments		3,460,758	150,264
Cash received from returns on investments		601,835	580,638
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		239,565	39,503
Net cash received from disposal of subsidiaries		455,271	18,823
Cash received relating to other investing activities	IV.67(3)	11,421	-
Sub-total of cash inflows		4,768,850	789,228
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,412,864	2,677,935
Cash paid to acquire investments		4,594,516	120,382
Net cash paid to acquire subsidiaries		15,501	540
Cash paid relating to other investing activities	IV.67(4)	622,511	1,000
Sub-total of cash outflows		6,645,392	2,799,857
Net cash outflows from investing activities		(1,876,542)	(2,010,629)

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

	Note	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
III. Cash flows from financing activities			
Cash received from capital contributions		2,191,528	209,887
Including: Cash received from capital contributions by minority shareholders of subsidiaries		2,191,528	209,887
Cash received from borrowings		7,678,211	8,866,892
Cash received from issuing bonds		2,500,000	–
Cash received relating to other financing activities	IV.67(5)	161,524	293,281
Sub-total of cash inflows		12,531,263	9,370,060
Cash repayments of borrowings		7,519,393	11,326,836
Cash payments for distribution of dividends or profits and interest expenses		924,839	877,865
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		364,106	32,360
Cash paid relating to other financing activities	IV.67(6)	513,325	367,997
Sub-total of cash outflows		8,957,557	12,572,698
Net cash inflows/(outflows) from financing activities		3,573,706	(3,202,638)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		465,249	179,302
V. Net increase in cash and cash equivalents	IV.68(1)	5,797,803	1,227,094
Add: Cash and cash equivalents at the beginning of the year		16,529,988	11,210,240
VI. Cash and cash equivalents at the end of the period	IV.68(2)	22,327,791	12,437,334

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2022 Interim Financial Report (Unaudited)

CASH FLOW STATEMENT

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		116,375	146,434
Cash received relating to other operating activities		152,638	4,565,737
Sub-total of cash inflows		269,013	4,712,171
Cash paid to and on behalf of employees		138,093	143,044
Payments of taxes and surcharges		33,065	31,407
Cash paid relating to other operating activities		163,012	4,713,758
Sub-total of cash outflows		334,170	4,888,209
Net cash outflows from operating activities	XVIII.23	(65,157)	(176,038)
II. Cash flows from investing activities			
Cash received from disposal of investments		5,091,000	-
Cash received from returns on investments		5,894,211	4,459,835
Net cash received from disposal of fixed assets		92	188
Net cash received from disposal of subsidiaries		367,367	-
Sub-total of cash inflows		11,352,670	4,460,023
Cash paid to acquire fixed assets and other long-term assets		10,211	13,219
Net cash paid to acquire subsidiaries		2,805,892	128,246
Cash paid for other investment activities		2,781,329	-
Sub-total of cash outflows		5,597,432	141,465
Net cash inflows from investing activities		5,755,238	4,318,558
III. Cash flows from financing activities			
Cash received from borrowings		1,665,000	1,400,000
Cash received from issuing bonds		2,500,000	-
Cash received from other financing activities		500,000	-
Sub-total of cash inflows		4,665,000	1,400,000
Cash repayments of borrowings		2,363,000	3,493,048
Cash payments for distribution of dividends or profits and interest expenses		194,772	229,025
Cash payments relating to other financing activities		2,003,943	305,001
Sub-total of cash outflows		4,561,715	4,027,074
Net cash inflows/(outflows) from financing activities		103,285	(2,627,074)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		472	(2,797)
V. Net increase in cash and cash equivalents	XVIII.23	5,793,838	1,512,649
Add: Cash and cash equivalents at the beginning of the year		3,072,197	892,464
VI. Cash and cash equivalents at the end of the period	XVIII.23	8,866,035	2,405,113

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

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The head of the accounting
department:

Chapter XI 2022 Interim Financial Report (Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

Item	2021															
	Attributable to shareholders and other equity holders of the Company					Attributable to shareholders and other equity holders of the Company										
	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
I. Balance at 31 December 2021	3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,228	53,853,844
Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2022	3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,228	53,853,844
III. Movements for the period																
(i) Total comprehensive income	-	23,335	-	-	-	2,515,177	695,576	3,234,088	-	175,272	-	(135,879)	-	6,490,051	1,695,445	8,360,768
1. Net profit	-	-	-	(249,140)	-	-	(63,961)	(313,101)	-	-	-	-	-	-	(100,219)	(236,094)
2. Other comprehensive income	-	23,335	-	-	-	2,515,177	631,615	2,920,987	-	175,272	-	(135,879)	-	6,490,051	1,595,226	8,124,674
sub-total of 1 & 2	-	23,335	-	(249,140)	-	2,515,177	631,615	2,920,987	-	175,272	-	(135,879)	-	6,490,051	1,595,226	8,124,674
(ii) Capital contribution and withdrawal by owners																
1. Increase in capital reserve resulted from share option exercised by company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Contributions by minority shareholders	-	-	562,963	-	-	-	1,486,592	2,049,555	-	-	46,097	-	-	-	2,021,222	2,067,819
3. Increase in minority interests resulted from acquisition or establishment of subsidiary	-	-	-	-	-	-	43,576	43,576	-	-	-	-	-	-	282,940	282,940
4. Increase in minority interests of subsidiaries	-	-	(289,001)	-	-	-	(79,006)	(368,007)	-	-	(154,414)	-	-	-	(1,250,233)	(1,404,649)
5. Disposal of subsidiaries (without loss control)	-	-	71,112	-	-	-	282,344	353,456	-	-	-	-	-	-	63,426	63,426
6. Disposal of subsidiaries (lose control)	-	-	-	-	-	-	(358,312)	(358,312)	-	-	-	-	-	-	-	-
7. Increase in capital reserve resulted from share option exercised by subsidiary	-	-	3,265	-	-	-	2,098	5,363	-	-	(22,957)	-	-	-	61,629	38,672
8. Increase in shareholders' equity resulted from share-based payments	-	-	39,516	-	-	-	34,373	73,889	-	-	68,523	-	-	-	4,384	72,907
9. Issuance of other equity instruments	-	2,000,000	-	-	-	-	-	2,000,000	-	(4,300,000)	(18,396)	-	-	-	-	(4,318,396)
10. Redemption of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Issuance of convertible bonds by subsidiaries	-	-	12,002	-	-	-	-	12,002	-	-	123,944	-	-	-	-	123,944
12. Others	-	-	-	-	-	-	-	-	-	-	18,094	-	-	-	-	18,094
(iii) Profit distribution																
1. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(2,480,559)	(552,657)	(3,033,216)	-	-	-	-	-	(1,005,904)	(637,715)	(1,643,019)
3. Interest paid on other equity instruments	-	-	-	-	-	-	-	-	-	(183,314)	-	-	-	-	-	(183,314)
IV. Balance at 30 June 2022	3,595,014	2,023,335	5,923,953	535,750	3,587,597	31,641,654	13,352,080	60,679,383	3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090

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

Legal representative's authorised person:

The person in charge of accounting affairs:

The head of the accounting department:

Chapter XI 2022 Interim Financial Report (Unaudited)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

Item	Note	For the period from 1 January to 30 June 2022						2021							
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2021		3,595,014	-	2,812,956	383,171	3,587,397	10,282,677	20,661,415	3,595,014	4,308,042	2,831,352	352,298	3,587,397	8,842,542	23,516,845
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2022		3,595,014	-	2,812,956	383,171	3,587,397	10,282,677	20,661,415	3,595,014	4,308,042	2,831,352	352,298	3,587,397	8,842,542	23,516,845
III. Movements for the period															
(i) Total comprehensive income		-	23,335	-	-	-	6,961,282	6,984,617	-	175,272	-	-	-	2,446,039	2,621,311
1. Net profit		-	-	-	(6,979)	-	-	(6,979)	-	-	-	30,873	-	-	30,873
2. Other comprehensive income	XVIII.15	-	23,335	-	-	-	6,961,282	6,977,638	-	175,272	-	30,873	-	2,446,039	2,652,184
Sub-total of I & 2		-	23,335	-	(6,979)	-	6,961,282	6,977,638	-	175,272	-	30,873	-	2,446,039	2,652,184
(ii) Capital contribution and withdrawal by owners															
1. Increase in shareholders' equity resulted from share-based payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in capital reserve resulted from share option exercised by company	IV.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Issuance of other equity instruments	IV.45	-	2,000,000	-	-	-	-	2,000,000	-	-	-	-	-	-	-
4. Redemption of other equity instruments	IV.45	-	-	-	-	-	-	-	-	(4,300,000)	-	-	-	(4,318,396)	-
5. Increase in capital from capital reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Profit distribution															
1. Appropriation to surplus reserves	IV.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Profit distribution to shareholders	IV.49	-	-	-	-	-	(2,480,559)	(2,480,559)	-	-	-	-	(1,005,904)	(1,005,904)	
3. Interest paid on other equity instruments	IV.45	-	-	-	-	-	-	-	-	(183,314)	-	-	-	(183,314)	
IV. Balance at 30 June 2022		3,595,014	2,023,335	2,812,956	376,192	3,587,397	14,763,400	27,158,494	3,595,014	-	2,812,956	383,171	3,587,397	10,282,677	20,661,415

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

Legal representative's authorised person:

The person in charge of accounting affairs:

The head of the accounting department:

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

I. GENERAL INFORMATION

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

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

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

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

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

CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles"), the subsidiary of the Company, is listed on the Main Board of the Hong Kong Stock Exchange. On 8 July 2021, CIMC Vehicles was listed on the Growth Enterprise Market of the Shenzhen Stock Exchange. CIMC Vehicles primarily engages in the production, manufacture and sale of semi-trailers and speciality vehicles and their truck bodies, refrigerated van and its container.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

I. GENERAL INFORMATION (CONTINUED)

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

The financial statements have been approved for announcement by the Company's Board of Directors on 29 August 2022.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group makes specific accounting policies and accounting estimates according to characteristics of its business operations, which include measurement of expected credit losses of receivables and contract assets (Note II.9), the cost of inventories (Note II.10), the criteria for determining impairment of non-current assets (Note II.19), depreciation policy of fixed assets and amortisation policy of intangible assets and right-of-use assets (Note II.13, 16 and 27), measurement of provisions (Note II.21), measurement model of investment properties (Note II.12) and revenue recognition and measurement (Note II.24), etc.

The key judgements, significant accounting estimates and key assumptions adopted by the Group when applying significant accounting policies are disclosed in Note II.32.

1. Basis of preparation

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

The financial statements are prepared on a going concern basis.

The new Hong Kong *Companies Ordinance* was effective on 3 March 2014. Some notes in this financial statement have been disclosed in accordance with requirements of the Hong Kong *Companies Ordinance*.

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

The financial statements of the Company for the period from 1 January to 30 June 2022 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the consolidated and the Company as at 30 June 2022 and their financial performance, cash flows and other information during January to June 2022.

3. Accounting year

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

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

4. Recording currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The functional currency of the Company and its subsidiaries domiciled in PRC is RMB. The recording currency of the Company's overseas subsidiaries and other operating entities is determined based on the primary economic environment in which they operate. The Group adopts RMB to prepare its financial statements.

5. Business combinations

(1) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the Group in a business combination are measured at the carrying amount. If the company to be merged is acquired by the absorbing party from a third party in previous years, the assets and liabilities of the company (including the goodwill formed by the acquisition by the absorbing party) are included in the final consolidated financial statement and are based on carrying amount. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination is adjusted to capital reserve (stock premium). If the balance of the capital reserve (stock premium) is insufficient, any excess is adjusted to retained earnings. Any costs directly attributable to the combination shall be recognised in profit or loss for the current period when occurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

(2) Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the Group in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill (Note II.17); where the cost of combination is lower than the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Any costs directly attributable to the combination shall be recognised in profit or loss for the current period when occurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

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

6. Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Company obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profit realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

For a business combination not involving enterprises under common control and achieved in stages, the Company remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date in the consolidated financial statements. The difference between the fair value and the carrying amount is recognised as investment income for the current period. Where the equity interest held in the acquiree before the acquisition date relates to other comprehensive income measured under the equity method and other changes in owners' equity except net profit or loss, other comprehensive income and profit distribution, corresponding other comprehensive income and other changes in owners' equity (excluding other comprehensive income from changes arising from remeasurement on net liabilities or net assets of defined benefit plans of the acquiree) shall be transferred to investment income for the period in which the acquisition date falls. Goodwill is recognised at the excess of the sum of the fair value of previously-held interest in the acquiree and the fair value of the consideration paid at the acquisition date, over the fair value of the acquiree's identifiable net assets acquired at the acquisition date.

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of long-term equity investments in a subsidiary without a change in control, the difference between the amount of the newly acquired long-term equity investments and the amount of the share of the subsidiary's net assets that are continuously calculated from the acquisition date or the merger date based on the new shareholding ratio, and the difference between the amount of the consideration paid or received to dispose such long-term equity investments and the amount of the share of the subsidiary's net assets that are continuously calculated from the acquisition date or the merger date based on such disposal are both adjusted to the capital reserve (stock premium) in the consolidated balance sheet. If the credit balance of the capital reserve (stock premium) is insufficient, any excess is adjusted to retained earnings.

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

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

6. Preparation of consolidated financial statements (Continued)

If the Company loses the control of the original subsidiary because of disposing part of equity investment or other reasons, the remaining equity investment shall be remeasured at fair value in the consolidated financial statements at the date when control is lost. The sum of consideration received from the disposal of equity investment and the fair value of the remaining equity investment, net of the sum of the share of net assets of the former subsidiary based on continuous calculation since the acquisition date at previous proportion of shareholding and goodwill, is recognised as investment income for the current period when the control is lost. In addition, other comprehensive income and other changes in owners' equity (excluding other comprehensive income from changes arising from remeasurement by the former subsidiary on net liabilities or net assets of defined benefit plans), which are related with the equity investment in the former subsidiary, are transferred to profit or loss for the current period when the control is lost.

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

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

7. Cash and cash equivalents

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

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

(1) Foreign currency transactions

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for acquisition or construction of qualifying assets, which are capitalised (Note II.15) as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated by using the spot exchange rate on the date when the fair value is determined, and the currency translation difference arising therefrom is included in the profit or loss or other comprehensive income on the basis of the nature of such non-monetary items. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

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

(2) Translation of financial statements denominated in foreign currency

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements for overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented in other comprehensive income.

When the control on overseas operation is lost due to disposal of all owners' equity in the Group's overseas operation or disposal of some equity investments or any other reasons, the differences on translation of financial statements denominated in foreign currency, which are presented under shareholders' equity in the balance sheet, related to the overseas operation and attributable to shareholders' equity of the Company, are recorded in profit or loss for the current period in which the disposal is incurred.

The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash presented separately in the cash flow statement.

9. Financial instruments

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

(1) Financial assets

(1) Classification and measurement

Based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income (referred to as "FVOCI"); (3) financial assets at fair value through profit or loss (referred to as "FVPL").

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period. For the accounts receivables and notes receivables arising from the sales of products or the provision of labour services that do not contain or consider the significant financing components, the consideration to be received is recognised as the initial recognition amount.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(1) Financial assets (Continued)

(1) *Classification and measurement (Continued)*

(i) Debt instruments

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

At amortised cost:

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

At fair value through other comprehensive income:

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

At fair value through profit or loss:

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

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(1) Financial assets (Continued)

(1) *Classification and measurement (Continued)*

(ii) Equity instruments

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

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

(2) *Impairment*

The Group recognises loss provision based on expected credit losses for financial assets at amortised cost, debt investments at fair value through other comprehensive income, contract assets, lease receivables, financial guarantee contracts and loan commitments.

Giving consideration to reasonable and supportable information on past events, current conditions and forecasts of future economic conditions weighted by the probability of default, the Group recognises the expected credit losses as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

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

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

Notes to the Financial Statements

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

9. Financial instruments (Continued)

(1) Financial assets (Continued)

(2) Impairment (Continued)

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

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

When a single financial asset cannot evaluate expected credit loss information at a reasonable cost, the Group divides accounts receivables, notes receivables, receivables financing and contract assets into several portfolios based on the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Notes receivables portfolio 1	Commercial acceptance bill
Notes receivables portfolio 2	Bank acceptance bill
Receivables financing	Bank acceptance bill
Accounts receivables portfolio 1	Containers manufacturing business
Accounts receivables portfolio 2	Road transportation vehicles business
Accounts receivables portfolio 3	Energy, chemical and liquid food equipment business
Accounts receivables portfolio 4	Offshore engineering business
Accounts receivables portfolio 5	Airport, facilities, fire safety and automated logistics equipment business
Accounts receivables portfolio 6	Logistics services business
Accounts receivables portfolio 7	Recycled load business
Accounts receivables portfolio 8	Other business
Contract assets portfolio 1	Airport, facilities, fire safety and automated logistics equipment business

For the accounts receivables, notes receivables and receivables financing incurred from daily business activities such as selling goods and providing services, which were classified as portfolios, the Group calculates the expected credit losses by reference to the historical credit losses experience, considering the current situation and the forecast of future economic conditions, as well as the default risk exposure and the lifetime expected credit loss rate.

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(1) Financial assets (Continued)

(2) Impairment (Continued)

In case the expected credit losses of an individually assessed other receivables and long-term receivables cannot be evaluated with reasonable cost, the Group classifies other receivables and long-term receivables into several portfolios based on the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

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

For other receivables and long-term receivables divided into portfolios, the Group adopts three-stage model to calculate their expected credit losses based on the exposure at default and the 12-month or lifetime expected credit loss rate, with consideration to historical credit losses experience, current conditions and forecasts of future economic conditions. For lease receivables in long-term receivables, the Group uses related model and assumption to calculate their expected credit losses, with consideration to forecasts of future economic conditions and the lessee's credit record (possibility of default by customers and losses therefrom).

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

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(1) Financial assets (Continued)

(3) *Derecognition*

The Group derecognises a financial asset, if the part being considered for derecognition meets one of the following conditions: (1) the contractual rights to receive the cash flows from the financial asset expire; or (2) the financial asset has been transferred, and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (3) the financial asset has been transferred, and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When the other equity investment is derecognised, the difference between the carrying amount and the consideration received as well as the cumulative changes in fair value that are previously recognised directly in other comprehensive income is recognised in profit or loss for the current period, except for those measured at fair value through other comprehensive income, the difference aforementioned is recognised in retained earnings instead.

(2) Financial liabilities

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

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the contract holder for a loss it incurs if a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Except for financial guarantee contracts of which financial liabilities are designated as at fair value through profit or loss or of which financial liabilities arise when a transfer of a financial liability or a financial asset does not qualify for derecognition or from continuing involvement in the transferred asset, a financial guarantee contract should be initially measured at fair value, and subsequently measured at the higher of: (i) the amount of loss provision determined and (ii) the amount initially recognised less, when appropriate, accumulative amortisation recognised in accordance with *CAS 14 – Revenue*.

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

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(3) Fair value determination of financial instruments

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

(4) Derivative financial instruments

Derivatives are initially recognised at the date of the contract and are initially and subsequently measured at fair value. Derivatives are reflected as assets when its fair value is positive, and as liabilities when negative. Changes in fair value of these derivatives are recognised in profit or loss for the current period.

For a hybrid contract that contains both an embedded derivative and a host contract, if the host contract is a financial asset contract, the Group accounts for the hybrid contract as a whole (without separating the embedded derivative from it) on the basis of applicable accounting standards on financial instruments classification. If the host contract is not a financial asset contract and meets the conditions below, the Group accounts for the embedded derivative that is separated from the hybrid contract as a separate derivative:

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

If the embedded derivative is separated from the hybrid contract, the Group accounts for the host contract on the basis of applicable accounting standards. If the fair value of the embedded derivative cannot be reliably measured in accordance with the terms and conditions of the embedded derivative, it is recognised according to the fair value difference between the hybrid contract and the host contract. If the fair value of the embedded derivative on the acquisition date or subsequent balance sheet date cannot be measured individually after the above methods are used, the Group designates the hybrid contract as a financial instrument at fair value through profit or loss.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(5) Equity instruments

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

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

Other equity instruments issued by the Group are initially recognised at the fair value deducting the cost that is directly attributable to equity transactions. The dividend distributions or interest expenses during the existence of other equity instruments shall be treated as profit distribution. The repurchasing and writing off of other equity instruments are treated as changes in shareholders' equity, and the related transaction costs are deducted from the shareholders' equity.

10. Inventories

(1) Classification

Inventories include raw materials, products in progress, finished products and stocks, commissioned processing materials, spare parts, marine engineering projects, and reusable materials, and are measured at the lower of cost and net realisable value.

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method, which includes all purchase costs, processing costs, and other costs before the inventory is shipped to the destination and reached the status quo. Borrowing costs incurred directly attributable to the production of qualifying inventories are recognised in cost of inventories (Note II.15). The cost of inventory and work-in-progress includes raw materials, direct labour, and manufacturing expenses allocated in a systematic way under normal production capacity.

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

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

10. Inventories (Continued)

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

Provision for decline in the value of inventories is determined at the excess amount of the carrying amount of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale.

(4) The Group adopts the perpetual inventory system.

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

Reusable materials include low-value consumables and packaging materials. Low-value consumables are amortised into expenses based upon numbers of usage. Packaging materials are amortised in full when received for use.

11. Long-term equity investments

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

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are joint arrangements which are structured through a separate vehicle over which the Group is able to exercise joint control together with other ventures and enjoys the rights only on the net assets of investees based on legal forms, contractual terms and other facts and circumstances. Associates are the investees that the Group has significant influence on their financial and operating policies.

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

(1) Determination of investment cost

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

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

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

11. Long-term equity investments (Continued)

(2) Subsequent measurement and recognition of profit or loss

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

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

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions at the amount it expects to undertake. The Group's share of changes in the investee's owners' equity other than those arising from the net profit or loss, other comprehensive income and profit distribution is recognised in capital surplus with a corresponding adjustment to the carrying amount of the long-term equity investment. The carrying amount of the long-term equity investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

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

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

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

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

(4) Impairment of long-term equity investments

The carrying amount of long-term equity investments in subsidiaries, joint ventures and associates is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note II.19).

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

12. Investment properties

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

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

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

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

13. Fixed assets

(1) Recognition and initial measurement

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

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the cost can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

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

13. Fixed assets (Continued)

(2) Depreciation

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

The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

Classes	Estimated useful lives (years)	Estimated residual value rate (%)	Depreciation rate per annum(%)
Plants and buildings	10-33	10%	2.73-9%
Machinery and equipment	2-30	10%	3-45%
Office and other equipment	3-15	10%	6-30%
Motor vehicles	3-10	10%	9-30%
Dock, wharf	20-50	10%	1.8-4.5%
Offshore engineering equipment	20-30	10%	3-4.5%

Estimated useful lives, estimated residual values and depreciation methods are reviewed and adjusted as appropriate at each year-end.

- (3) The carrying amount of a fixed asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note II.19).

(4) Disposal

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

14. Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation (Note II.15) and other costs necessary to bring the construction in progress ready for its intended use.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use, and depreciation is charged starting from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below its carrying amount (Note II.19).

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

15. Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For general borrowings utilised for the acquisition and construction of an asset qualifying for capitalisation, the capitalised amount of the general borrowings is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilised general borrowings. The effective interest rate is the interest rate that exactly discounts estimated future cash flows through the expected life of the borrowings or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

16. Intangible assets

Intangible assets include land use rights, technological know-how and trademarks, customer relationships, customer contracts, sea area use rights, franchise rights, etc., and are measured at cost.

(1) Amortisation of intangible assets

An intangible asset with finite useful life is amortised on the straight-line method or other more appropriate methods that can reflect the pattern in which the asset's economic benefits are expected to be realised over its estimated useful life, unless the intangible asset is classified as held for sale (Note II.28).

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

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

16. Intangible assets (Continued)

(1) Amortisation of intangible assets (Continued)

The respective amortisation periods for such intangible assets are as follows:

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

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

(2) Research and development

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

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

- the development of manufacturing technique has been fully demonstrated by technical team;
- the management has approved the budget for the development of manufacturing technique;
- the research and analysis of preliminary market survey indicate that products manufactured with such technique are marketable;
- adequate technical and financial supports are available for development of manufacturing techniques and subsequent mass production; and
- expenditure on development of manufacturing techniques can be reliably collected.

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

(3) Impairment of intangible assets

The carrying amount of intangible assets is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note II.19).

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

17. Goodwill

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

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (Note II.19). On disposal of an asset group or combination of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

18. Long-term prepaid expenses

Long-term prepaid expenses include the improvement of the right-of-use assets and other expenses that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

The amortisation periods of long-term prepaid expenses are as follows:

Item	Amortisation periods (years)
Mobilisation cost of drilling platform	3 – 5
Improvement expenditure of fixed assets under operating lease	2 – 10
Others	3 – 10

19. Impairment of long-term assets

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

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

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

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

20. Employee benefits

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

(1) Short-term wages

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

(2) Post-employment benefits

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

Basic pension insurance

The Group's employees participated in the basic social pension insurance organised and implemented by local labour and social security bureau. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. After retirement, local labour and social security bureau is responsible for paying the pension benefit to the retired employees. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(3) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: (1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; (2) when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

The termination benefits expected to be settled within one year since the balance sheet date are classified as employee benefits payable.

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

21. Provisions and contingent liabilities

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

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

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

Loss provision for financial guarantee contracts and provision for loan commitments which are recognised on the basis of expected credit losses are presented as provisions.

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

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

22. Dividend distribution

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

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

23. Share-based payments

(1) Classification

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

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

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

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

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

23. Share-based payments (Continued)

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

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

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

(4) Accounting treatment for share-based payments

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

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

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

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

24. Revenue recognition

Revenue is recognised at the amount of the consideration which the Group expects to be entitled to receive when obligations in a contract are performed, that is, the control of the goods is transferred to the customer.

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

24. Revenue recognition (Continued)

Obtaining the control of related goods means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

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

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

In respect of a contract obligation that is to be fulfilled within a period, the company should recognise the revenue based on the progress of the obligation fulfilment within the period, except that the progress of the obligation fulfilment fails to be reasonably determined.

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

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

Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract. The costs are recognised as contract fulfilment costs on the condition that (1) the costs are incurred by the Group for the fulfilment of the current or expected sales contracts or service contracts, (2) the costs increase the resources that the Group will use to fulfil obligations in the future, and (3) the costs are expected to be recoverable. The contract fulfilment costs are recognised as the cost of sale of main operations based on the stage of completion when recognising revenue. Cost incurred by the Group for the acquisition of the contract is recognised as incremental costs of obtaining a contract. For costs of obtaining a contract with amortisation period of less than one year, it would be recognised in profit or loss for the current period when it occurs; for costs of obtaining a contract with amortisation period of more than one year, it would be amortised in profit or loss on the basis of revenue recognition of the related contract. If the carrying amount of contract cost is higher than the remaining consideration expected to be obtained by the provision of the service minus the estimated cost to be incurred, the Group makes impairment provisions on the excess and recognises it as asset impairment losses. On the balance sheet date, the Group presents costs to fulfil a contract with its carrying amount less the relevant impairment losses as inventory or other non-current assets depending on if the amortisation period at the time of initial recognition is more than one year. For costs to fulfil a contract with an amortisation period at the time of initial recognition of more than one year, it is presented as inventory, while costs that with amortisation period of more than one year is presented as other non-current assets.

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

24. Revenue recognition (Continued)

(1) Revenue from sales of goods

The Group manufactures and sells containers, road transportation vehicles and equipment, airport equipment, fire fighting equipment, energy, chemical equipment, etc. Revenue is recognised at a point in time when the customer obtains control over the relevant goods.

(1) *Containers sales revenue*

The Group manufactures and sells containers. Revenue is recognised at a point in time when the control over the goods is transferred after the goods have been delivered to the location as specified and customers' acceptance receipts have been obtained.

(2) *Road transportation vehicles and equipment sales revenue*

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

(3) *Airport facilities and fire fighting equipment sales revenue*

Airport facilities include sales of passenger boarding bridge. Revenue is recognised at a point in time when the control over the goods is transferred after the Group has delivered the products to the location as specified in the contract and the customer has accepted the goods. The sales of fire fighting equipment include fire fighting vehicles, fire fighting gears, mobile fire fighting stations and rescue stations. Revenue is recognised at a point in time when the control over the goods is transferred after the Group has delivered the products to the location as specified in the contract and the customer has accepted the goods.

(4) *Sales revenue of energy and chemical equipment*

The products of energy and chemical equipment mainly include chemical tanks, storage and transportation equipment, etc. Revenue is recognised at a point in time when the control over the goods is transferred after the Group has delivered the products to the location as specified in the contract and the customer has accepted the goods.

The Group recognises receivables when the goods are delivered, because the Group is entitled to the unconditional collection of the consideration when goods are delivered. The Group only needs to wait for the customer's payment. The credit periods granted by the Group to customers in various industries are consistent with the practices of various industries, therefore, there is no significant financing component.

The Group provides product quality assurance for the sales of products and recognises corresponding provisions (Note IV.36). The Group does not provide any additional services or additional quality assurance, so the product quality assurance does not constitute a separate performance obligation.

The Group's cooperation model with distributors is outright sales, and the recognition of sales revenue under the distribution model is consistent with the direct sales model.

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

24. Revenue recognition (Continued)

(2) Revenue from project engineering contracts

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

The Group expects that there is no situation in which the performance of the engineering project contract will cause the payment period of the end customer to exceed one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

(3) Revenue from rendering of installation, R&D, design and other services

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

(4) Revenue from rendering of freight forwarding services

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

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

25. Government grants

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

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

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

25. Government grants (Continued)

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

Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income and used to compensate related costs or losses in coming periods are recognised as deferred income and are recognised as profit or loss or deducted related cost in the period of related costs and expenses realised. Government grants related to income used to compensate related expenses or losses occurred are directly recognised as current year's profit or loss or deducted related costs. The Group uses the same method to disclosure government grants in the same category.

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

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

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for a temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

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

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(All amounts in RMB'000 unless otherwise stated)

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

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

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

- the taxable entity within the Group has a legally enforceable right to set off current tax assets against current tax liabilities;
- the deferred tax assets and deferred tax liabilities are related to the same taxable entity within the Group and the same taxation authority.

27. Leases

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

The Group as the lessee

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

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

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

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

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

27. Leases (Continued)

The Group as the Lessee (Continued)

When the lease change is not accounted for as a separate lease, the Group will re-determine the lease term on the effective date of the lease change, except for the simplified method for contract changes directly caused by COVID-19. In addition, the revised discount rate is used to discount the changed lease payment and remeasure the lease liability. If the lease change causes the scope of the lease to be narrowed or the lease term is shortened, the Group will correspondingly reduce the book value of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in the current profit and loss. If other lease changes cause the lease liability to be remeasured, the Group will adjust the book value of the right-of-use asset accordingly.

For rent reduction or exemption directly caused by COVID-19 and only for rent before 30 June 2022, the Group chose to adopt a simplified method, that when an agreement is reached to relieve the original payment obligation, the undiscounted amount of deduction will be included in the current profit and loss, and the corresponding lease liability will be adjusted at the same time.

The Group as the lessor

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

(1) Operating leases

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

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

(2) Finance leases

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

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

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

28. Held for sale and discontinued operations

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

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

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

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

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

29. Related parties

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

- (a) the Company's parent;
- (b) the Company's subsidiaries;
- (c) enterprises that are controlled by the Company's parent;
- (d) investors that have joint control or exercise significant influence over the Group;
- (e) enterprises or individuals if a party has control, joint control over both the enterprises or individuals and the Group;
- (f) joint ventures of the Group, including subsidiaries of joint ventures;

Notes to the Financial Statements

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

29. Related parties (Continued)

- (g) associates of the Group, including subsidiaries of associates;
- (h) principal individual investors of the Group and close family members of such individuals;
- (i) key management personnel of the Group and close family members of such individuals;
- (j) key management personnel of the Company's parent company; and
- (k) close family members of key management personnel of the Company's parent company; and
- (l) other enterprises that are controlled or jointly controlled by principal individual investors, key management personnel of the Group, or close family members of such individuals.

30. Segment reporting

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

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

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

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

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

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Significant changes in accounting policies

There is no significant changes in accounting policies for the period.

32. Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(1) Critical judgements in applying the accounting policies

(1) *Criteria for judging significant increases in credit risk*

Judgement of the Group for significant increase in credit risk is mainly based on whether the number of overdue days exceeds credit term, or whether one or more of the following indicators changed significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, significant decrease in value of collateral or credit rate of guarantor, the debtor is suffering significant financial difficulties, engaged in other debt restructuring, or it is probable that the debtor will enter bankruptcy, etc.

(2) Critical accounting estimates and key assumptions

(1) *Measurement of expected credit losses*

The Group calculates expected credit losses through default risk exposure and expected credit loss rate, and determines the expected credit loss rate based on default probability and default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit losses experience and adjusts historical data based on current conditions and forward-looking information.

(2) *Accounting estimate on provision for impairment of long-term assets*

As described in Note II.19, if a long-term asset (including goodwill, fixed assets, construction in progress, long-term equity investments, intangible assets and right-of-use assets) with an indication of impairment is tested for impairment at each balance sheet date and it indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an assets impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less costs to sell and the present value of the future cash flows expected to be derived from it, which require use of accounting estimates.

Due to the continued impact of COVID-19 and related prevention and control measures, the business of the Group's some overseas subsidiaries has been affected to a certain extent. When the Group conducts long-term asset impairment tests, the higher of the net value of fair value minus disposal expenses and the present value of expected future cash flows is used to determine its recoverable amount. Due to the uncertainty in the development and prevention and control of COVID-19, there are also uncertainties in the growth rate, gross profit margin and pre-tax discount rate used in the calculation of the present value of expected future cash flows.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Critical accounting estimates and judgements (Continued)

(2) Critical accounting estimates and key assumptions (Continued)

(2) *Accounting estimate on provision for impairment of long-term assets (Continued)*

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

If management revises the gross profit margin used in the future cash flow calculation of the asset group or the asset group combination and the revised gross profit margin is lower than the gross profit margin currently used, the Group is required to increase the impairment provisions of long-term assets.

If management revises the pre-tax discount rate applied to the cash flow discount and the revised pre-tax discount rate is higher than the discount rate currently used, the Group is required to increase the impairment provisions of long-term assets.

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

(3) *Provision for impairment of inventories*

As described in Note II.10, the net realisable value of inventories is under management's regular estimates, and as a result, provision for impairment of inventories is recognised for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market sales, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for impairment of inventories. The net profit or loss may then be affected in the period when the provision for impairment of inventories is adjusted.

(4) *Depreciation and amortisation of assets such as fixed assets and intangible assets*

As described in Note II.13 and 16, fixed assets, intangible assets and other assets are depreciated and amortised over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed by the Group to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experiences of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

(5) *Warranty provisions*

As described in Note IV.36, the Group makes provisions under the warranties it gives on the sale of its products based mainly on the Group's recent claim experience. Because it is possible that the recent claim experience may not be indicative of future claims that the Group will receive in respect of past sales, a considerable level of management's judgement is required and exercised to estimate the provision. Any increase or decrease in the provision will affect profit or loss in future years.

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For the period from 1 January 2022 to 30 June 2022
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Critical accounting estimates and judgements (Continued)

(2) Critical accounting estimates and key assumptions (Continued)

(6) *Completion progress of the project engineering contract*

As described in Note II.24, contract revenue and contract profit are recognised based on the stage of completion of a contract which is determined with reference to the proportion of the accumulated actual contract cost to the estimated total contract cost or the physical construction work completed to the total estimated construction work. Where a contract is completed substantially and its contract revenue and contract expenses to completion can be reliably measured, the Group estimates contract revenue and contract expenses with reference to its recent construction experience and the nature of the construction contracts. For a contract that is not completed substantially, contract revenue that should be recognised based on its stage of completion, is not recognised and disclosed in the financial statements. Therefore, at the balance sheet date, actual total contract revenue and total contract cost may be higher or lower than the estimated total contract revenue and total contract cost and any change of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

(7) *Income taxes and deferred income taxes*

The Group is subject to income taxes in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

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

(8) *Estimation of fair value of investment properties*

The Group recognised the fair value of the investment properties based on the valuation assessed by the independent professional qualified valuer, the valuation assessed by management or quotes from potential independent third-party buyers. To assess the fair value of investment properties, as stated in Note XVI.1, several significant judgements and assumptions are used.

Notes to the Financial Statements

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III. TAXATION

1. Main taxes categories and rates

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

- (a) Pursuant to the Notice on Relevant Enterprise Income Tax Policies for Deduction of Equipment and Appliances (Cai Shui [2018] No. 54) and the Announcement on Extending the Implementation Period of Certain Preferential Tax Policies (Cai Shui [2021] No. 6) issued by the State Administration of Taxation) and other relevant regulations, during the period from 1 January 2018 to 31 December 2023, newly purchased equipment of less than RMB5 million can be included in the current cost in the month after the asset is put into use, deducted when calculating taxable income, and no longer calculates depreciation on an annual basis.
- (b) In accordance with the Announcement on Policies Concerning Deepening the Value-Added Tax Reform issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs (MOF, SAT, GAC Announcement [2019] No. 39) and related regulations, since 1 April 2019 for the VAT taxable sales or related business of imported goods, tangible movable property financial leasing and tangible movable property operating leasing occurred in the subsidiaries of various business segments of the Company, the original tax rate of 16% is adjusted to 13%; the original 10% tax rate applies to transportation services, real estate leasing services, etc., and the tax rate is adjusted to 9%; the modern service industry such as logistics and auxiliary services, yard services, and financial services still apply 6% tax rate, which is not within the scope of this adjustment.

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

	2022	2021
The Company	25%	25%
Subsidiaries registered in China	15-25%	15-25%
Subsidiaries registered in China Hong Kong	16.5-25%	16.5-25%
Subsidiaries registered in British Virgin Islands	-	-
Subsidiaries registered in U.S.	21%	21%
Subsidiaries registered in Germany	15.83-36.13%	15.83-36.13%
Subsidiaries registered in Britain	19%	19%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25.8%	25%
Subsidiaries registered in Belgium	25%	25%
Subsidiaries registered in Denmark	22%	22%
Subsidiaries registered in Poland	19%	19%
Subsidiaries registered in Thailand	20%	20%
Subsidiaries registered in Singapore	17%	17%
Subsidiaries registered in Sweden	20.6%	20.6%
Subsidiaries registered in Cayman Islands	-	-
Subsidiaries registered in Malaysia	24%	24%
Subsidiaries registered in Luxembourg	24.94%	24.94%

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III. TAXATION (CONTINUED)

2. Preferential tax treatments

In 2022, the following major subsidiaries of the Company have obtained the “High-tech Enterprise Certificate”, which is valid for 3 years. According to the relevant provisions of Article 28 of the “Enterprise Income Tax Law of the People’s Republic of China”, the applicable enterprise income tax rate for the following companies in 2022 is 15% (2021: 15%). The information of each major subsidiary enjoying tax incentives is listed as follows:

Name of enterprises	Local statutory tax rate	Preferential rate		Reasons
		2022	2021	
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	15%	High-tech enterprises
Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou Runyang Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Taicang CIMC Reefer Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Taicang CIMC Special Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen Qianhai Ruiji Technology Co., Ltd.	25%	15%	15%	High-tech enterprises
Qingdao CIMC Special Reefer Co., Ltd.	25%	15%	15%	High-tech enterprises
Beijing CIMC Intelligent Cold Technology Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Cold Cloud (Beijing) Technology Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Cold Cloud (Beijing) Supply Chain Management Co., Ltd.	25%	15%	15%	High-tech enterprises
Hunan CIMC New Material Technology Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles (Liaoning) Co., Ltd.	25%	15%	15%	High-tech enterprises
Wuhu CIMC Ruijiang Automobile Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhumadian CIMC Huajun Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Gansu CIMC Huajun Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	25%	15%	15%	High-tech enterprises
Dongguan CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhumadian CIMC Huajun Casting Co., Ltd.	25%	15%	15%	High-tech enterprises
Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles Shandong Co., Ltd.	25%	15%	15%	High-tech enterprises
Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles (Jiangmen) Co., Ltd.	25%	15%	15%	High-tech enterprises
Jiangsu Baoking Auto Parts Co., Ltd.	25%	15%	15%	High-tech enterprises

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

In 2022, the following major subsidiaries of the Company have obtained the “High-tech Enterprise Certificate”, which is valid for 3 years. According to the relevant provisions of Article 28 of the “Enterprise Income Tax Law of the People’s Republic of China”, the applicable enterprise income tax rate for the following companies in 2022 is 15% (2021: 15%). The information of each major subsidiary enjoying tax incentives is listed as follows: (Continued)

Name of enterprises	Local statutory tax rate	Preferential rate		Reasons
		2022	2021	
Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Bengbu) Compressor Co., Ltd.	25%	15%	15%	High-tech enterprises
Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	15%	High-tech enterprises
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Safeway Technologies Co., Ltd.	25%	15%	15%	High-tech enterprises
Nanjing Yangzi Petrochemical Design Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Liaoning CIMC Hashenleng Gas Liquefaction Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Nantong CIMC Energy Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Nantong) CIMC Food Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Anjiehui Internet of Things Information Technology (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhangjiagang CIMC Sanctum Special Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	15%	High-tech enterprises
Cuilian (China) Fire Safety Equipment Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
Deli Kyushu Logistics Automation System (Beijing) Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Deli Logistics System (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprises
Xinfa Airport Equipment Ltd.	25%	15%	15%	High-tech enterprises
Shanghai Jindun Special Vehicle Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenyang Jietong Fire Truck Co., Ltd.	25%	15%	15%	High-tech enterprises
Sichuan Chuanxiao Fire Trucks Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. Cash at bank and on hand

	30 June 2022	31 December 2021
Cash on hand	10,087	5,107
Bank deposits	20,873,985	15,621,490
Other cash balances	1,272,786	816,136
	22,156,858	16,442,733
Including: cash abroad	1,399,896	1,344,165

As at 30 June 2022, restricted cash at bank and on hand of the Group amounted to RMB1,232,067,000 (31 December 2021: RMB1,282,863,000), refer to Note IV.27 for details.

As at 30 June 2022, restricted cash at bank and on hand of the Group mentioned above included deposits of Group's subsidiary Finance Company in the People's Bank of China, amounting to RMB601,861,000 (31 December 2021: RMB466,727,000). Finance Company is a finance institution authorised by the People's Bank of China.

2. Financial assets held for trading

	30 June 2022	31 December 2021
Investments in equity instruments held for trading (i)	926,692	440,501
Contingent consideration	9,919	4,931
	936,611	445,432

(i) Held-for-trading equity instrument investments are mainly monetary funds purchased and invested by Finance Company. The fair value of the funds is determined according to the net asset value statement as of 30 June 2022 published by the fund company.

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Derivative financial assets and liabilities

	Notes	30 June 2022	31 December 2021
Derivative financial assets –			
Foreign exchange forward contracts	(1)	167,453	536,659
Foreign exchange option contracts	(2)	10,669	25,368
		178,122	562,027
Derivative financial liabilities –			
Foreign exchange forward contracts	(1)	427,039	22,999
Foreign exchange option contracts	(2)	3,617	3,385
Interest rate swap contracts	(3)	–	8,446
Commitment to minority shareholders	(4)	751,100	657,026
		1,181,756	691,856

(1) Foreign exchange forward contracts

As at 30 June 2022, the foreign exchange forward contracts of the Group mainly consisted of unsettled forward contracts denominated in US dollars, Japanese Yen, Great Britain Pound, Euro, HK dollar, Australian Dollar and Thai Baht, the nominal value of which amounted to USD3,813,034,000, JPY 2,016,525,000, GBP 12,000,000, EUR201,010,000, HKD250,460,000, AUD 4,000,000 and THB 10,496,000, respectively. Pursuant to these contracts, the Group shall buy/sell US Dollar, Japanese Yen, Great Britain Pound, Euro, HK dollar, Australian Dollar and Thai Baht, with contracted nominal value at agreed rates in exchange of RMB on the contract settlement dates. These foreign exchange forward contracts of the Group will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid contracts range from 1 July 2022 to 22 May 2023.

(2) Foreign exchange option contracts

As at 30 June 2022, the Group had certain unsettled foreign exchange option contracts, mainly denominated in USD. The nominal value of these contracts amounted to USD490,000,000. Pursuant to these contracts, the Group is required to buy/sell USD of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. The foreign exchange option contracts of the Group will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid contracts range from 14 July 2022 to 21 September 2022.

(3) Interest rate swap contracts

As at 30 June 2022, the Group had two unsettled interest swap contracts denominated in USD, with a nominal value of USD250,000,000 in total and fair value of RMB6,151,000 was accounted as liabilities. The settlement date of the aforesaid is 20 May 2027.

(4) Commitment to minority shareholders

The Group's wholly-owned subsidiary CIMC Hong Kong shall compensate CIMC Offshore's minority shareholders for the difference below the agreed amount when it exits through the sale of equity to a third party. The Group's obligation to make up for such difference will be recognised as derivative financial liabilities at fair value.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivables

	30 June 2022	31 December 2021
Bank acceptance notes	570,439	685,874
Trade acceptance notes	270,272	263,721
Less: Provision for bad debts	(777)	(1,627)
	839,934	947,968

- (1) As at 30 June 2022, pledged notes receivable (Note IV. 27) presented in the notes receivables of the Group were as follows:

	30 June 2022
Bank acceptance notes	–
Trade acceptance notes	88,438
	88,438

- (2) As at 30 June 2022, notes endorsed or discounted but not due, presented in notes receivables of the Group was as follows:

	Derecognized	Not derecognized
Bank acceptance notes (i)	1,194,038	242,960
Trade acceptance notes	–	23,909
	1,194,038	266,869

- (i) In the period from 1 January to 30 June 2022, only a few bank acceptance bills receivable were endorsed or discounted by some subsidiaries of the Group and derecognized, so they are still classified as financial assets measured at amortized cost. In addition, some subsidiaries of the Group discount and endorse some bank acceptance bills according to the needs of their daily fund management, so they are classified as financial assets at FVOCI and listed as receivables financing (Note IV.6).

(3) Provision for bad debts

The Group's notes receivable are all generated from daily business activities such as sales of goods and provision of labor services. Regardless of whether there is a significant financing component, the loss provision is measured based on the expected credit loss of the entire duration. As at 30 June 2022, the Group's provision for bad debts based on lifetime expected credit losses was RMB777,000 (31 December 2021: RMB1,627,000).

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables

	30 June 2022	31 December 2021
Accounts receivables	28,563,984	26,931,012
Less: Provision for bad debts	(1,540,095)	(1,439,831)
	27,023,889	25,491,181

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

	30 June 2022	31 December 2021
Within 1 year (inclusive)	26,350,957	24,567,260
1 to 2 years (inclusive)	915,910	1,090,772
2 to 3 years (inclusive)	458,513	955,662
Over 3 years	838,604	317,318
	28,563,984	26,931,012

- (2) As at 30 June 2022, the five largest balances of accounts receivables were analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for bad debts	% of total accounts receivables
Total of the five largest accounts receivables	5,432,024	25	19.08%

- (3) Accounts receivables derecognised due to transfer of financial assets:

From 1 January to 30 June 2022 and at 31 December 2021, the Group has no accounts receivables derecognised due to transfer of financial asset.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(4) Provision for bad debts

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

(1) As at 30 June 2022, accounts receivables with amounts that the related provision for bad debts was set aside on the individual basis were analysed as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Containers manufacturing business	257,726	22.25%	57,348	
Energy, chemical and liquid food equipment business	96,622	91.20%	88,122	Measured provision as lifetime expected credit losses
Offshore engineering business	133,896	18.37%	24,599	
Airport facilities and logistics equipment, fire safety and rescue equipment business	184,826	89.00%	164,501	
Logistics services business	11,673	100.00%	11,673	
Others	840,527	39.50%	332,019	
	1,525,270		678,262	

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(4) Provision for bad debts (Continued)

(2) As at 30 June 2022, accounts receivables that are assessed for impairment on a collective group basis were as follows:

Collectively assessed 1 – Containers manufacturing business:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	7,173,515	0.02%	1,358	10,228,172	0.09%	9,204
Overdue within 1 month	1,193,423	0.05%	539	218,802	0.70%	1,530
Overdue for 1 to 3 months	556,279	0.08%	447	230,280	1.07%	2,462
Overdue 3 to 12 months	458,961	5.71%	26,221	85,626	2.96%	2,538
Overdue 1 to 2 years	58,868	7.41%	4,365	25,352	6.61%	1,676
Overdue 2 to 3 years	25,001	100.00%	25,001	47,171	100.00%	47,171
Overdue 3 to 5 years	33	100.00%	33	1,648	100.00%	1,648
	9,466,080		57,964	10,837,051		66,229

Collectively assessed 2 – Road transportation vehicles business:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	2,594,467	2.19%	56,894	1,937,308	2.16%	41,848
Overdue within 1 month	242,132	4.52%	10,944	195,196	3.84%	7,491
Overdue for 1 to 3 months	166,723	4.52%	7,536	120,993	3.84%	4,643
Overdue 3 to 12 months	365,521	4.52%	16,522	550,858	3.84%	21,140
Overdue 1 to 2 years	53,833	27.23%	14,658	63,293	24.42%	15,459
Overdue 2 to 3 years	16,443	78.31%	12,876	21,490	81.68%	17,553
Overdue 3 to 5 years	13,249	99.44%	13,175	13,803	99.18%	13,690
Overdue for more than 5 years	26,023	99.44%	25,878	26,023	99.18%	25,809
	3,478,391		158,483	2,928,964		147,633

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(4) Provision for bad debts (Continued)

(2) As at 30 June 2022, accounts receivables that are assessed for impairment on a collective group basis were as follows: (Continued)

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

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	2,374,570	1.58%	37,458	2,086,386	3.23%	67,336
Overdue within 1 month	228,368	3.21%	7,464	162,250	4.40%	7,144
Overdue for 1 to 3 months	184,336	3.21%	5,915	74,583	4.40%	3,284
Overdue 3 to 12 months	241,699	6.46%	15,623	130,828	6.03%	7,891
Overdue 1 to 2 years	65,246	24.11%	15,734	124,035	33.84%	41,973
Overdue 2 to 3 years	63,653	41.97%	26,715	55,467	47.52%	26,356
Overdue 3 to 5 years	71,144	68.33%	48,616	39,973	78.70%	31,459
Overdue for more than 5 years	69,269	100.00%	69,269	51,550	100.00%	51,550
	3,298,285		226,794	2,725,072		236,993

Collectively assessed 4 – Offshore engineering business:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	770,057	0.08%	628	210,653	0.54%	1,138
Overdue within 1 month	–	–	–	533,568	1.00%	5,336
Overdue for 1 to 3 months	–	–	–	52,165	1.00%	522
Overdue 3 to 12 months	–	–	–	86,318	1.20%	1,036
Overdue 1 to 2 years	324	2.78%	9	19,714	3.37%	664
Overdue for more than 2 years	23,906	100.00%	23,906	22,886	97.67%	22,352
	794,287		24,543	925,304		31,048

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(4) Provision for bad debts (Continued)

(2) As at 30 June 2022, accounts receivables that are assessed for impairment on a collective group basis were as follows: (Continued)

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

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,044,018	1.18%	12,321	1,100,832	0.72%	7,946
Overdue within 1 month	328,670	5.87%	19,293	190,115	4.57%	8,692
Overdue for 1 to 3 months	17,529	5.87%	1,029	95,857	4.57%	4,382
Overdue 3 to 12 months	713,581	5.87%	41,848	480,372	4.57%	21,962
Overdue 1 to 2 years	283,815	11.74%	33,317	170,584	12.65%	21,572
Overdue 2 to 3 years	93,850	29.32%	27,520	93,768	36.38%	34,114
Overdue for more than 3 years	82,035	57.30%	47,010	79,288	56.69%	44,952
	2,563,498		182,338	2,210,816		143,620

Collectively assessed 6 – Logistics services business:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	3,436,549	0.68%	23,450	3,071,892	0.92%	28,414
Overdue within 1 month	543,262	4.90%	26,606	248,664	1.77%	4,390
Overdue for 1 to 3 months	289,012	2.26%	6,523	111,730	3.96%	4,426
Overdue 3 to 12 months	142,464	5.48%	7,810	49,794	11.99%	5,969
Overdue 1 to 2 years	45,894	29.62%	13,594	40,063	46.62%	18,677
Overdue 2 to 3 years	5,039	100.00%	5,039	13,900	100.00%	13,900
Overdue for more than 3 years	9,690	100.00%	9,690	3,389	100.00%	3,389
	4,471,910		92,712	3,539,432		79,165

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(4) Provision for bad debts (Continued)

(2) As at 30 June 2022, accounts receivables that are assessed for impairment on a collective group basis were as follows: (Continued)

Collectively assessed 7 – Recycled load business:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	942,621	0.15%	1,455	393,692	1.34%	5,283
Overdue within 1 month	37,610	5.00%	1,880	60,290	4.09%	2,463
Overdue for 1 to 3 months	18,999	5.00%	950	4,782	4.58%	219
Overdue 3 to 12 months	15,092	5.00%	755	–	–	–
Overdue 1 to 2 years	281	29.89%	84	589	43.63%	257
Overdue for more than 2 years	1,504	100.00%	1,504	431	100.00%	431
	1,016,107		6,628	459,784		8,653

Collectively assessed 8 – Others:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,231,718	2.36%	29,051	2,066,339	2.21%	45,586
Overdue within 1 month	179,838	2.86%	5,150	45,106	6.37%	2,871
Overdue for 1 to 3 months	88,921	9.08%	8,073	53,620	8.47%	4,542
Overdue 3 to 12 months	254,026	10.51%	26,705	164,932	28.36%	46,767
Overdue 1 to 2 years	164,846	19.33%	31,872	12,279	83.35%	10,234
Overdue for more than 2 years	30,807	37.39%	11,520	18,828	100.00%	18,828
	1,950,156		112,371	2,361,104		128,828

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

- (5) The provision for bad debts for the period from 1 January to 30 June in 2022 amounted to RMB194,037,000 (for the period from 1 January to 30 June in 2021: RMB131,652,000). A provision for bad debts amounted to RMB54,995,000 has been collected or reversed. (for the period from 1 January to 30 June in 2021: RMB42,208,000).
- (6) For the period from 1 January to 30 June in 2022, the accounts receivables amounted to RMB848,000 was written off (for the period from 1 January to 30 June in 2021: RMB23,879,000), and the provision for bad debts amounted to RMB848,000 (for the period from 1 January to 30 June in 2021: RMB23,879,000).

6. Receivables financing

	30 June 2022	31 December 2021
Receivables financing	658,374	1,049,831
Less: Provision for bad debts	(986)	(1,587)
	657,388	1,048,244

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

As at 30 June 2022, the Group measured the bad debt provision RMB986,000 according to the expected credit loss of the whole duration (31 December 2021: RMB1,587,000). The Group considers the credit risks of the bank acceptance notes were similar. The Group had no bank acceptance notes with single provision for impairment. In addition, there was no significant credit risk of the bank acceptance and will not cause significant losses due to bank default.

As at 30 June 2022, the amount of pledged bank acceptance notes receivable disclosed in receivables financing was RMB12,494,000 (31 December 2021: RMB58,623,000).

As at 30 June 2022, the Group's endorsed or discounted but not yet due notes receivable listed in receivables financing are as follows:

	Derecognized	Not derecognized
Bank acceptance notes	2,587,831	14,103

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

	Notes	30 June 2022	31 December 2021
Receivables arising from financing for related parties	VIII.5(4)	4,532,432	420,835
Assets purchased under reverse repurchase agreements	(i)	1,403,000	1,370,118
Security deposits		936,795	1,032,333
Dividends receivable		678,155	447,789
Disbursements		558,213	295,063
Tax refund receivables		122,524	184,481
Loans		62,691	157,177
Receivables from share capital increase/transfer		29,691	81,961
Government grants receivable		19,601	35,850
Interest receivable		8,910	5,195
Receivables from demolition compensation		3,940	14,510
Others		757,146	1,058,451
Sub-total		9,113,098	5,103,763
Less: Provision for bad debts		(339,775)	(324,137)
		8,773,323	4,779,626

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

(1) The aging analysis of other receivables was as follows:

	30 June 2022	31 December 2021
Within 1 year	8,147,148	4,471,231
1 to 2 years	416,481	139,683
2 to 3 years	60,249	86,516
Over 3 years	489,220	406,333
	9,113,098	5,103,763

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(2) Loss provision and changes in book balance

	First stage					Third stage					
	Expected credit loss in the next twelve months (collectively assessed)		Expected credit loss in the next twelve months (individually assessed)		Sub-total	Lifetime expected credit losses (suffered credit impairment) (collectively assessed)		Lifetime expected credit losses (suffered credit impairment) (individually assessed)		Sub-total	Total
	Provision		Provision			Provision		Provision			
	Book balance	for bad debts	Book balance	for bad debts	for bad debts	Book balance	for bad debts	Book balance	for bad debts	for bad debts	for bad debts
31 December 2021	3,325,347	75,823	1,419,499	17,537	93,360	18,122	13,298	340,795	217,479	230,777	324,137
Increase in current period	2,856,760	10,307	2,161,697	14,319	24,626	16,119	1,471	-	-	1,471	26,097
Reduction in current period	(419,334)	(3,325)	(564,643)	(10,863)	(14,188)	(13,912)	(1,153)	(27,352)	(3,891)	(5,044)	(19,232)
Including: Write-off in current period	-	-	-	-	-	(842)	(842)	(3,817)	(3,817)	(4,659)	(4,659)
Increase/(reversal) of provision for bad debts in current period (i)	-	1,746	-	7,027	8,773	-	-	-	-	-	8,773
30 June 2022	5,762,773	84,551	3,016,553	28,020	112,571	20,329	13,616	313,443	213,588	227,204	339,775

(i) On 30 June 2022, the Group had no other receivables transferred to the first stage.

Except for changes in provision for bad debts caused by the increased and decreased in other receivables and conversion between the first and third stages, reversals in provision for bad debts due to changes in parameters and data used in determining expected credit losses were RMB8,773,000.

Notes to the Financial Statements

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

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

As at 30 June 2022 and 31 December 2021, other receivables that are assessed individually was as follows:

(1) As at 30 June 2022, the analysis of other receivables that are assessed individually was as follows:

First Stage	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Security deposits	69,098	10.31%	7,126	
Receivables arising from financing for related parties	2,392,115	–	–	Measured provision as expected
Tax refund receivables	98,530	–	–	credit losses in the next twelve months
Loans	16,020	0.66%	106	
Disbursements	219,049	1.56%	3,420	
Others	221,741	7.83%	17,368	
	3,016,553		28,020	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	8,561	78.78%	6,744	
Receivables arising from financing for related parties	60,549	65.46%	39,636	Measured provision as lifetime expected credit losses
Security deposits	54,920	99.16%	54,458	
Receivables from demolition compensation	3,231	100.00%	3,231	
Disbursements	96,528	43.11%	41,615	
Others	89,654	75.74%	67,904	
	313,443		213,588	

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

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

(2) As at 31 December 2021, the analysis of other receivables that are assessed individually was as follows:

First Stage	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Receivables from demolition compensation	11,279	–	–	
Security deposits	451,217	3.21%	14,480	
Receivables arising from financing for related parties	340,061	–	–	Measured provision as expected credit losses in the next twelve months
Tax refund receivables	137,764	–	–	
Receivables from share capital increase/transfer	75,501	–	–	
Loans	72,989	0.73%	532	
Disbursements	116,993	0.30%	348	
Others	213,695	1.02%	2,177	
	1,419,499		17,537	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	36,039	84.21%	30,349	
Receivables arising from financing for related parties	60,549	65.46%	39,636	Measured provision as lifetime expected credit losses
Security deposits	44,875	95.79%	42,988	
Receivables from demolition compensation	3,231	100.00%	3,231	
Disbursements	45,247	35.36%	16,000	
Others	150,854	56.53%	85,275	
	340,795		217,479	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

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

(3) As at 30 June 2022 and 31 December 2021, the analysis of other receivables that are assessed collectively was as follows:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
First Stage						
Security deposits	796,648	9,824	1.23%	535,200	1,979	0.37%
Assets purchased under reverse repurchase agreements	1,403,000	-	-	1,370,118	-	-
Dividends receivable	678,155	-	-	447,789	-	-
Loans	33,910	-	-	32,569	981	3.01%
Receivables from share capital increase/transfer	29,691	-	-	6,460	-	-
Tax refund receivables	23,994	-	-	46,717	-	-
Receivables arising from financing for related parties	2,079,768	-	-	20,225	-	-
Government grants receivable	19,601	-	-	35,850	-	-
Receivables from demolition compensation	709	-	-	-	-	-
Interest receivable	8,910	-	-	5,195	-	-
Disbursements	242,636	928	0.38%	132,823	832	0.63%
Others	445,751	73,799	16.56%	692,401	72,031	10.40%
	5,762,773	84,551		3,325,347	75,823	

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Third Stage						
Loans	4,200	2,251	53.60%	15,580	11,226	72.05%
Security deposits	16,129	11,365	70.46%	1,041	1,015	97.50%
Others	-	-	-	1,501	1,057	70.42%
	20,329	13,616		18,122	13,298	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (3) The provision for bad debts in current period amounted to RMB9,136,000 (for the period from 1 January to 30 June 2021: RMB11,914,000), among which RMB781,000 has been recovered or reversed (for the period from 1 January to 30 June 2021: RMB2,279,000).
- (4) Other receivables written off in current period amounted to RMB4,659,000 in book balance and amounted to RMB4,659,000 in bad debt provision.
- (5) As at 30 June 2022, the five largest balances of other receivables were analysed as follows, accumulated by arrearage parties:

	Nature	Book balance	Aging	% of total balance	Provision for bad debts
CIMC Financial Leasing Co., Ltd	Receivables arising from financing for related parties and disbursements	3,827,837	within 1 year	42.00%	-
Donghai Funds Management Co., Ltd	Assets purchased under reverse repurchase agreements	500,000	within 1 year	5.49%	-
Evergrande Life Assurance Co., Ltd	Assets purchased under reverse repurchase agreements	500,000	within 1 year	5.49%	-
Guotai Junan Securities Asset Management Co., Ltd	Assets purchased under reverse repurchase agreements	303,000	within 1 year	3.32%	-
Yangzhou Jichuang Industrial Park Development Co., Ltd	Receivables arising from financing for related parties	248,685	within 1 year	2.73%	-
		5,379,522		59.03%	

8. Advances to suppliers

	30 June 2022	31 December 2021
Advance to suppliers	4,936,275	3,488,030
Less: provision for bad debts	(36,276)	(40,609)
	4,899,999	3,447,421

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Advances to suppliers (Continued)

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

	30 June 2022		31 December 2021	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	4,168,842	84.45%	2,840,635	81.44%
1 to 2 years (inclusive)	192,761	3.90%	145,129	4.16%
2 to 3 years (inclusive)	87,648	1.78%	41,825	1.20%
Over 3 years	487,024	9.87%	460,441	13.20%
Total	4,936,275	100.00%	3,488,030	100.00%

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

As at 30 June 2022, the prepayments aged over one year amounted to RMB767,433,000 (31 December 2021: RMB647,395,000), mainly for the Group's prepayments for raw materials and equipment related to the offshore engineering business. As the production cycle of offshore engineering projects is usually more than 1 year, these prepayments have not yet been settled.

(2) As at 30 June 2022, the five largest balances of advances to suppliers were analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Total of the five largest balances of advances to suppliers	1,433,468	29.04%

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories

(1) Inventories summarised by categories are as follows:

	30 June 2022			31 December 2021		
	Book balance	Impairment provision for inventories and costs incurred to fulfil a contract	Book value	Book balance	Impairment provision for inventories and costs incurred to fulfil a contract	Book value
Raw materials	8,252,362	(191,498)	8,060,864	7,286,229	(199,393)	7,086,836
Work in progress	3,645,983	(25,623)	3,620,360	3,290,003	(29,892)	3,260,111
Finished goods	6,459,636	(87,460)	6,372,176	7,504,227	(135,047)	7,369,180
Consignment stocks	201,723	(65)	201,658	234,024	(65)	233,959
Spare parts	310,801	(5,641)	305,160	242,785	(4,994)	237,791
Low-valued consumables	65,452	(1,209)	64,243	30,045	(1,097)	28,948
Materials in transit	89,667	–	89,667	66,471	–	66,471
Completed properties	50,963	(13,325)	37,638	48,357	(13,325)	35,032
Properties under development	297,773	(3,064)	294,709	297,610	(3,064)	294,546
Offshore engineering Project	2,219,589	(1,095,441)	1,124,148	2,049,991	(1,058,552)	991,439
Costs incurred to fulfil a contract	209,157	–	209,157	232,810	–	232,810
	21,803,106	(1,423,326)	20,379,780	21,282,552	(1,445,429)	19,837,123

- (i) The book balance of contract performance costs is mainly the transportation costs incurred before the control of the goods is transferred to the customer, and the transportation costs incurred for the performance of the sales contract and the engineering design expenses incurred for the completion of the engineering project. For the period from 1 January to 30 June 2022, the amortization of contract performance costs included in operating costs totaled RMB1,488,932,000 (for the period from 1 January to 30 June 2021: RMB218,116,000).

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(2) Analysis of book balance movement of inventories for the period from 1 January to 30 June 2022 is as follows:

	31 December 2021	Increase in current period	Decrease in current period	Currency translation differences	30 June 2022
Raw materials	7,286,229	59,252,763	(58,314,253)	27,623	8,252,362
Work in progress	3,290,003	39,780,712	(39,506,879)	82,147	3,645,983
Finished goods	7,504,227	60,784,172	(61,825,129)	(3,634)	6,459,636
Consignment stocks	234,024	284,010	(315,711)	(600)	201,723
Spare parts	242,785	449,422	(388,822)	7,416	310,801
Low-valued consumables	30,045	253,457	(220,658)	2,608	65,452
Materials in transit	66,471	125,652	(103,973)	1,517	89,667
Completed properties	48,357	2,606	-	-	50,963
Properties under development	297,610	366	(203)	-	297,773
Offshore engineering Project	2,049,991	7,249	(12,316)	174,665	2,219,589
Costs incurred to fulfil a contract	232,810	1,463,268	(1,488,932)	2,011	209,157
	21,282,552	162,403,677	(162,176,876)	293,753	21,803,106

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

Category	31 December 2021	Increase in current period	Decrease in current period		Currency translation differences	30 June 2022
			Reversal	Write-off		
Raw materials	199,393	8,391	(5,457)	(11,198)	369	191,498
Work in progress	29,892	12,766	(8,299)	(4,143)	(4,593)	25,623
Finished goods	135,047	9,596	(6,891)	(51,020)	728	87,460
Consignment stocks	65	-	-	-	-	65
Spare parts	4,994	899	-	(1,203)	951	5,641
Low-valued consumables	1,097	-	-	-	112	1,209
Completed properties	13,325	-	-	-	-	13,325
Properties under development	3,064	-	-	-	-	3,064
Offshore engineering Project	1,058,552	-	-	(12,540)	49,429	1,095,441
	1,445,429	31,652	(20,647)	(80,104)	46,996	1,423,326

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

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

- (a) The provision for impairment of the Group's inventories during the period from 1 January to 30 June 2022 was recognized mainly for the price drop of certain products and the slow-moving or waste materials.

Reversal/written off of provision for impairment of the Group's inventories during the current period is as follows:

Category	Basis for provision	Reason for reversal/write-off
Raw materials	Market Price	Increase in net realisable value/usage or sales of inventories
Work in progress	The estimated selling price of the finished product less the estimated cost to completion, estimated selling expenses and related taxes	Increase in net realisable value/usage or sales of inventories
Finished goods	Market Price	Increase in net realisable value/usage or sales of inventories
Spare parts	Market Price	Increase in net realisable value/usage or sales of inventories
Low-valued consumables	Market Price	Increase in net realisable value/usage or sales of inventories
Completed properties	The estimated selling price of the finished product less the estimated costs to be incurred at completion, estimated selling expenses and related taxes	Increase in net realisable value/usage or sales of inventories
Offshore engineering project	Market price and estimated selling price of finished goods less estimated costs to completion, estimated selling expenses and related taxes	Increase in net realisable value/usage or sales of inventories

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets

	30 June 2022	31 December 2021
Contract assets	3,825,392	2,886,006
Less: contract assets impairment provision	(56,226)	(64,666)
	3,769,166	2,821,340

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

The business related to airport and logistics equipment, fire fighting and rescue equipment and customers usually agree to settle in stages. The typical settlement time points include: (1) prepay to 10% – 30% of the contract price after the contract is signed; (2) prepay to 60% – 70% of the contract price when the equipment arrives at the project site and passes the acceptance; (3) prepay to 70% – 85% of the contract price if the project passes the preliminary acceptance; (4) prepay to 90% – 95% of the contract price when the project passes the final acceptance; (5) When the warranty period of the project ends, the remaining contract price shall be paid. During project implementation, when the received or receivable contract price exceeds the completed labor services, the excess part shall be recognized as contract liabilities, otherwise it shall be recognized as contract assets.

Offshore engineering related businesses are usually settled in stages as agreed in the contract. Typical settlement time points include: (1) prepay 5% – 30% of the contract price within 1–15 days after the contract takes effect/the contract is signed; (2) 15% – 60% of the contract price shall be paid after the commencement of the project and the steel plate is cut; (3) 45% – 70% of the contract price shall be paid after the laying and final position of the ship keel are confirmed by the classification society and the buyer's representative; (4) 90% – 95% of the contract price shall be paid after the project is launched and tested; (5) After the delivery protocol/the registration of the ship is completed, the remaining contract price shall be paid. During project implementation, when the received or receivable contract price exceeds the completed labor services, the excess part shall be recognized as contract liabilities, otherwise it shall be recognized as contract assets.

The businesses related to energy, chemical and liquid food equipment are usually settled in sections as agreed in the contract. The typical settlement time points include: (1) after the effective date of the contract, the advance payment shall be paid according to 20% – 30% of the total contract price; (2) When the equipment arrives at the project site and passes the acceptance, it shall be paid to 50% – 60% of the contract price; (3) 70% – 80% of the contract price will be paid if the project passes the preliminary acceptance; (4) 90% of the contract price will be paid if the project passes the final acceptance; (5) At the end of the project warranty period, the remaining contract price is paid, usually about 10%. During project implementation, when the received or receivable contract price exceeds the completed labor services, the excess part shall be recognized as contract liabilities, otherwise it shall be recognized as contract assets.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets (Continued)

As at 30 June 2022, impairment provision of contract assets individually assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Offshore engineering	1,633,584	0.06%	907	Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	1,128,369	4.08%	46,058	
	2,761,953		46,965	

As at 31 December 2021, impairment provision of contract assets individually assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Offshore engineering	533,788	0.17%	897	Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	1,336,642	3.85%	51,414	
	1,870,430		52,311	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets (Continued)

As at 30 June 2022, impairment provision of contract assets collectively assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Airport facilities and logistics equipment, fire safety and rescue equipment	1,063,439	0.87%	9,261	Measured provision as lifetime expected credit losses

As at 31 December 2021, impairment provision of contract assets collectively assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Airport facilities and logistics equipment, fire safety and rescue equipment	1,015,576	1.22%	12,355	Measured provision as lifetime expected credit losses

11. Current portion of non-current assets

	30 June 2022	31 December 2021
Finance lease receivables (Note IV.15)	–	5,554,535
Sales of goods by installment	56,681	8,945
Others	3,138	165,016
Less: unrealised financing income	–	(987,471)
	59,819	4,741,025
Less: impairment provisions	(115)	(1,033,900)
	59,704	3,707,125

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Other current assets

	30 June 2022	31 December 2021
Tax deductible/withheld	1,248,738	1,639,886
Others	296,374	287,273
	1,545,112	1,927,159

13. Other equity investments

	30 June 2022	31 December 2021
Unlisted company equity		
– Bank of Communications Schroder Fund Management Co., Ltd. (“BOCM Schroder”)	361,685	330,009
– China United International Rail Containers Co., Ltd. (“CR Intermodal”)	272,044	310,699
– Others	11,700	17,555
Listed company equity		
– Shoucheng Holdings Limited (“Shoucheng Holdings”)	211,501	265,603
– China Railway Special Cargo Services Co., LTD (“China Railway Special Cargo”)	196,400	242,400
– Others	749	875
	1,054,079	1,167,141

(1) Investment in non-trading equity instruments

	30 June 2022	31 December 2021
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	353,560	321,884
	361,685	330,009
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	(108,736)	(70,081)
	272,044	310,699

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other equity investments (Continued)

(1) Investment in non-trading equity instruments (Continued)

	30 June 2022	31 December 2021
China Railway Special Cargo		
– Historical cost	161,563	161,563
– Accumulated changes in fair value	34,837	80,837
	196,400	242,400
Shoucheng Holdings		
– Historical cost	191,383	191,383
– Accumulated changes in fair value	20,118	74,220
	211,501	265,603

- (i) The Group does not participate in or influence the financial and operating decisions of the above-mentioned companies in any way, so the Group has no significant influence on them. For the consideration of strategic investment, it is accounted for as investment in other equity instruments.

14. Other non-current financial assets

	30 June 2022	31 December 2021
Financial assets that is measured at fair value and whose changes are included in the current profit and loss	350,556	330,600
	350,556	330,600

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables

	30 June 2022	31 December 2021
Finance lease receivables	–	16,613,822
Sales of goods by installments	115,356	136,909
Others	6,853	320,435
Less: Unrealized financing income	–	(4,043,132)
	122,209	13,028,034
Less: Provision for bad debts	(1,758)	(1,402,908)
	120,451	11,625,126
Less: current portion of non-current assets		
Including: Finance lease receivables	–	(5,554,535)
Sales of goods by installments	(56,681)	(8,945)
Others	(3,138)	(165,016)
Less: Unrealized financing income	–	987,471
Less: Provision for bad debts	115	1,033,900
	60,747	7,918,001

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

Minimum lease receipts	30 June 2022	31 December 2021
Within 1 year (inclusive)	–	5,554,535
1 and 2 years (inclusive)	–	2,319,727
2 and 3 years (inclusive)	–	1,505,911
Over 3 years	–	7,233,649
	–	16,613,822

As at 30 June 2022, the Group had no long-term receivables derecognized due to transferring of financial assets in current period (2021: RMB2,484,930,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

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

(1) As at 30 June 2022, the provision for bad debts of long-term receivables that are individually assessed in the first stage are as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Individually assessed:				Measured provision as expected credit losses in the next twelve months
Sales of goods by installments	35,013	3.28%	1,149	

As at 30 June 2022 and 31 December 2021, the provision for bad debts of long-term receivables that are collectively assessed in the first stage are as follows:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts	Amount	Book balance	Provision for bad debts	Amount
	Amount	Expected credit loss rate		Amount	Expected credit loss rate	
Collectively assessed:						
Finance lease receivables	-	-	-	4,438,510	4.61%	204,445
Sales of goods by installments	80,343	0.76%	609	98,391	-	-
Others	6,853	-	-	320,435	0.48%	1,528
	87,196		609	4,857,336		205,973

(2) As at 30 June 2022, the provision for bad debts of long-term receivables that are collectively assessed in the second stage are as follows:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts	Amount	Book balance	Provision for bad debts	Amount
	Amount	Expected credit loss rate		Amount	Expected credit loss rate	
Collectively assessed:						
Finance lease receivables	-	-	-	318,770	68.27%	217,612
	-	-	-	318,770		217,612

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

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

(3) As at 30 June 2022, the provision for bad debts of long-term receivables that are individually assessed in the third stage: None

As at 30 June 2022 and 31 December 2021, the provision for bad debts of long-term receivables that are collectively assessed in the third stage are as follows:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	-	-	-	347,558	82.88%	288,067
Sales of goods by installments	-	-	-	38,518	100.00%	38,518
	-	-	-	386,076		326,585

(2) As at 30 June 2022, there is no collateral with legal rights corresponding to long-term receivables (31 December 2021: the underlying assets with legal rights corresponding to long-term receivables with book value of USD659,732,000 (equivalent to RMB4,207,509,000) have been used as collateral for long-term borrowings of USD147,167,000 (equivalent to RMB938,560,000) and long-term loans due within one year of USD28,800,000 (equivalent to RMB183,677,000) (Note IV.39)).

16. Long-term equity investments

		30 June 2022	31 December 2021
Joint ventures	(1)	774,906	942,796
Associates	(2)	9,534,631	7,715,495
		10,309,537	8,658,291
Less: impairment provisions for long-term equity investments		(191,229)	(188,834)
		10,118,308	8,469,457

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

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

	Movement in current period							30 June 2022	Impairment provisions
	31 December 2021	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends or profits	Provision for impairment	Currency translation differences		
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd. (i) ("Guangxi Southern Logistics")	55,490	(55,490)	-	-	-	-	-	-	-
Jiangsu Wanjiang Technology Co., Ltd. ("Jiangsu Wanjiang")	11,555	-	(1,440)	-	-	-	-	10,115	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NYK Zhenhua")	68,130	-	(81)	-	-	-	-	68,049	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd. ("K' Line Zhenhua Logistics (Tianjin)")	20,045	-	864	-	-	-	-	20,909	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	13,254	-	1,086	-	-	-	268	14,608	-
Dalian Jilong & Baijian Logistics Co., Ltd.	2,870	-	-	-	-	-	51	2,921	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	13,608	-	(1,005)	-	-	-	122	12,725	-
Tianjin Jinshi Baijian Container Maintenance Co., Ltd.	4,964	-	85	-	-	-	39	5,088	-
Y&C Engine Co., Ltd. ("Y&C Engine")	81,313	-	(35,306)	-	-	-	-	46,007	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership	50,066	53,100	-	-	-	-	-	103,166	-
New Horizon Shipping UG	32,619	(32,619)	-	-	-	-	-	-	-
Chemgas Schifffahrts UG (haftungsbeschränkt) & Co. MT "GASCHEMNARWHAL" KG	95,706	(95,706)	-	-	-	-	-	-	-
Shenzhen CIMC Lvmal Logistics and Intelligent Transportation Private Equity Investment Fund Partnership (Limited Partnership)	56,234	-	-	-	-	-	(1,621)	54,613	-
Bavaria Egypt	802	(802)	-	-	-	-	-	-	-
Shenzhen Xinghuo Chelian Technology Co., Ltd. ("Xinghuo Chelian")	3,866	-	(199)	-	-	-	-	3,667	-
Yantai Jinghai Ocean Fishery Co., Ltd. ("Yantai Jinghai")	174,807	-	(4,920)	-	-	-	-	169,887	-
Shenzhen Tianyi Changmao Investment Partnership (Limited Partnership)	1,002	-	-	-	-	-	-	1,002	-
Gongqingcheng CIMC Water Investment Environmental Protection Industry Investment Partnership	68,594	-	-	-	-	-	-	68,594	-
Angang CIMC (Yingkou) New Energy Technology Co., Ltd. ("Angang CIMC")	100,000	-	-	-	-	-	-	100,000	-
Shenzhen Aerospace Smart City System Technology Research Institute Co., Ltd.	87,871	-	-	-	(800)	-	-	87,071	-
ANDASHUN AMAZING LOGISTICS (VIETNAM) CO., LTD.	-	6,484	-	-	-	-	-	6,484	-
	942,796	(125,033)	(40,916)	-	(800)	-	(1,141)	774,906	-

(i) It has been included in the scope of consolidation of the Group in the current period.

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

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(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

(2) Long-term equity investments in associates:

	Movement in current period							30 June 2022	Impairment provisions
	31 December 2021	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends or profits	Provision for impairment	Currency translation differences		
Xinyang Wood Hong Kong Co., Ltd.	4,416	-	-	-	-	-	254	4,670	-
Xiamen CIMC Haitou Container Service Co., Ltd. ("Xiamen CIMC Haitou")	19,472	-	1,369	-	-	-	281	21,122	-
Dalian Jilong Logistics Co., Ltd.	17,905	-	-	-	-	-	1,247	19,152	(9,622)
Shenzhen CIMC Industry & City Development Group Co., Ltd. ("CIMC Industry & City") (ii)	6,564,009	1,000	(36,394)	-	-	-	-	6,528,615	-
Ocean En- Tech	36,306	-	-	-	-	-	1,669	37,975	-
Marine Subsea & Consafe Limited	2	-	-	-	-	-	-	2	(2)
LiHua gas storage and transportation Co., Ltd.	111,415	-	-	-	-	-	-	111,415	(111,415)
Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd.	2,608	-	-	-	-	-	-	2,608	(2,608)
Newtown Optoelectronics Technology (Shanghai) Co., Ltd.	16,084	(16,084)	-	-	-	-	-	-	-
Qingdao Port International Trade and Logistics Co., Ltd.	61,538	-	4,624	-	-	-	-	66,162	-
Jiahua Shipping Co., Ltd.	77,411	-	-	-	-	-	3,476	80,887	(59,200)
Xindu Freight Co., Ltd.	1,606	-	-	-	-	-	-	1,606	-
Chifeng Lvtianyuan Farm Co., Ltd.	6,924	-	-	-	-	-	-	6,924	(355)
North Sea Rigs AS	12,508	-	-	-	-	-	677	13,185	-
Chengdu To Communication Equipment Co., Ltd.	-	-	-	-	-	-	-	-	-
Shenzhen Road Network Technology Co., Ltd.	6,106	-	-	-	-	-	-	6,106	-
Beijing Boxcool Exhibition Co., Ltd.	12,686	-	-	-	-	-	-	12,686	(6,169)
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	1,470	-	(34)	-	-	-	-	1,436	(910)
Fujian Qingchen Bamboo Industry Co., Ltd. ("Qingchen Bamboo Industry")	5,814	-	-	-	-	-	-	5,814	-
Mori (Shanghai) International Trade Co., Ltd.	435	-	249	-	-	-	-	684	-
Sichuan Zhongyixinwei Energy Co., Ltd.	28,274	-	-	-	-	-	-	28,274	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

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

	Movement in current period							30 June 2022	Impairment provisions
	31 December 2021	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends or profits	Provision for impairment	Currency translation differences		
Hengqin CIMC Ruidexin Innovative Venture Capital Fund, LP.	24,070	-	-	-	-	-	-	24,070	-
Qingdao Port Lianhua International Logistics Co., Ltd. ("Qingdao Port Lianhua")	9,835	-	1,241	-	-	-	-	11,076	-
Ningbo Huaxiang Automotive New Material Technology Co., Ltd.	1,463	-	2	-	-	-	-	1,465	-
Cela S.r.L.	27,274	-	4,495	-	-	-	3,815	35,584	-
OOS International Holding	3,427	-	-	-	-	-	194	3,621	-
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	24,243	-	1,637	-	-	-	-	25,880	-
Zhoushan Changhong International Ship Repair Co., Ltd. ("Zhoushan Changhong")	356,531	(356,531)	-	-	-	-	-	-	-
Nantong CIMC Yike New Material Development Co., Ltd. ("Nantong CIMC Yike New Material")	11,696	-	-	-	-	-	-	11,696	-
CIMC Donghan (Shanghai) Shipping Co., Ltd.	17,374	-	(628)	-	-	-	-	16,746	-
Shitie Special Goods (Beijing) International Logistics Co., Ltd.	24,219	(24,219)	-	-	-	-	-	-	-
Tianjin Binhai COSCO Container Logistics Co., Ltd. ("Tianjin Binhai COSCO Container Logistics")	29,598	-	145	-	(174)	-	-	29,569	-
Guizhou Yinke Environmental Resources Co., Ltd.	31,257	-	(59)	-	-	-	-	31,198	(948)
Yichuan Tianyun clean energy Co., Ltd.	43,241	-	(285)	-	-	-	(363)	42,593	-
Ningbo Beilun Donghua Container Service Co., Ltd. ("Ningbo Beilun")	3,995	-	623	-	-	-	-	4,618	-
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	1,208	-	(94)	-	-	-	-	1,114	-
Shenzhen Zhonglian Industry- University- Research Technology Co., Ltd. ("Shenzhen Zhonglian")	94	-	(23)	-	-	-	-	71	-
Chongqing Changzu Feiyue Technology Co., Ltd.	2,796	-	134	-	-	-	-	2,930	-
Qingdao Senkete Intelligent Instrument Co., Ltd.	12,827	-	-	-	-	-	(62)	12,765	-
Dafei Lutong (Tianjin) Logistics Co., Ltd. ("Dafei Lutong (Tianjin)")	9,546	-	4,760	-	-	-	-	14,306	-
Xuzhou Lugang Shillanda Logistics Development Co., Ltd. ("Xuzhou Lugang")	1,960	2,940	540	-	-	-	-	5,440	-
Hongjing Zhiye (Beijing) Multimodal Transport Consulting Co., Ltd.	2,000	-	-	-	-	-	-	2,000	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

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

	Movement in current period							30 June 2022	Impairment provisions
	31 December 2021	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends or profits	Provision for impairment	Currency translation differences		
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	6,526	-	65	-	-	-	(40)	6,551	-
Xinyu Tiangao Investment Management Partnership (Limited Partnership)	500	-	-	-	(18)	-	-	482	-
Zhongshiyun (Beijing) Investment Co., Ltd.	36,589	14,607	3,482	-	-	-	-	54,678	-
HuaSu Airport Air Service (Guangzhou) Co., Ltd. ("HuaSu Airport")	2,800	-	-	-	-	-	-	2,800	-
ADS SUPPLY CHAZN (THAILAND) CO. LTD	1,070	-	-	-	-	-	-	1,070	-
Shanghai Hongji International Logistics Development Ltd.	2,450	-	257	-	-	-	-	2,707	-
Shenzhen Bay Angel Phase III Venture Capital Partnership (Limited Partnership)	29,760	-	(555)	-	-	-	-	29,205	-
Yantai Youtai Environmental Protection Technology Co., Ltd.	9,862	-	-	-	-	-	(48)	9,814	-
Shanghai Anji Marine Technology Co., Ltd.	295	-	-	-	-	-	-	295	-
China Ocean Engineering Equipment Technology Development Co., Ltd.	-	180,000	-	-	-	-	-	180,000	-
Qiaoduan Supply Chain (Shanghai) Co., LTD	-	9,900	-	-	-	-	-	9,900	-
CIMC Financial Leasing Co., Ltd.	-	1,946,399	21,785	-	-	-	-	1,968,184	-
Dongguan Ruizhu Tianxia Investment Co. LTD	-	11,940	-	-	-	-	-	11,940	-
Dali Bohai Precious Metal Technology Co. LTD	-	6,000	-	-	-	-	-	6,000	-
Yantai Guma New Material Co. LTD	-	640	-	-	-	-	-	640	-
Shandong CIMC Green New Material Co. LTD	-	4,300	-	-	-	-	-	4,300	-
CIMC Qingda Technology (Shenzhen) Co., LTD.	-	20,000	-	-	-	-	-	20,000	-
	7,715,495	1,800,892	7,336	-	(192)	-	11,100	9,534,631	(191,229)

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

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(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
31 December 2021	1,133,242	252,843	1,386,085
Changes in fair value	3,216	–	3,216
Transferred from inventories	17,040	–	17,040
Other increase	30,541	–	30,541
Currency translation differences	600	1,801	2,401
30 June 2022	1,184,639	254,644	1,439,283

For the periods from 1 January to 30 June 2022 and from 1 January to 30 June 2021, no capitalization is included in the borrowing costs of investment real estate.

For the period from 1 January to 30 June 2022, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was RMB3,216,000 (For the period from 1 January to 30 June 2021: Nil).

For the periods from 1 January to 30 June 2022 and from 1 January to 30 June 2021, the Group had no disposed investment properties.

As at 30 June 2022, the buildings and land use rights with carrying amount of about RMB188,567,000 (31 December 2021: RMB185,371,000) had not been entitled the property ownership certificates due to unfinished entitling procedures.

18. Fixed assets

	30 June 2022	31 December 2021
Fixed assets (a)	34,787,626	34,981,386
Disposal of fixed assets (b)	18,557	13,996
	34,806,183	34,995,382

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(1) Fixed assets

	Plants and buildings		Machinery and equipment		Office & other equipment		Motor vehicles		Offshore engineering equipment	Dock and wharf	Total
	For own use	For rent use	For own use	For rent use	For own use	For rent use	For own use	For rent use	For rent use	For own use	
Original cost											
31 December 2021	12,732,988	134,311	13,315,032	425,492	2,312,933	9,227	2,109,688	231,052	23,378,833	1,168,827	55,818,383
Increase this period											
Additions this period	93,204	-	31,780	320,566	217,061	-	102,748	-	-	-	765,359
Business combination	28,087	-	28,599	-	114,600	-	1,223	-	-	-	172,509
Transferred from construction in progress	291,581	-	741,339	-	14,531	-	19,468	-	-	-	1,066,919
Decrease this period											
Disposal or scrapping	(3,574)	-	(117,849)	(52,071)	(15,041)	(609)	(7,139)	-	(15,447)	-	(211,730)
Other decrease	(124,769)	(467)	(219,224)	(6,172)	(569,065)	-	(848,120)	(138,387)	(3,473)	-	(1,909,677)
Currency translation differences	419,042	9,134	(331,783)	(186,679)	58,446	700	(8)	(7,504)	707,026	41,769	710,143
30 June 2022	13,436,559	142,978	13,447,894	501,136	2,133,465	9,318	1,377,860	85,161	24,066,939	1,210,596	56,411,906
Accumulated depreciation											
31 December 2021	3,728,092	36,885	5,525,100	143,391	1,505,360	4,120	724,567	44,770	2,412,350	320,048	14,444,683
Increase this period											
Depreciation recognised in current period	215,711	106	578,473	5,752	134,312	-	89,166	4,007	304,118	51,860	1,383,505
Decrease this period											
Disposal or scrapping	(1,827)	-	(39,736)	(4,609)	(10,697)	-	(5,747)	-	-	-	(62,616)
Other decrease	(12,579)	(1)	(61,042)	(1,297)	(188,871)	-	(135,839)	(14,187)	(3,388)	-	(417,204)
Currency translation differences	266,111	15,914	16,172	(90,679)	(72,633)	3,035	(6,091)	(5,954)	318,554	18,533	462,962
30 June 2022	4,195,508	52,904	6,018,967	52,558	1,367,471	7,155	666,056	28,636	3,031,634	390,441	15,811,330
Impairment provisions											
31 December 2021	234,128	-	37,727	-	35,953	-	16,055	-	6,068,451	-	6,392,314
Provisions	-	-	-	-	23	-	-	-	-	-	23
Disposal or scrapping	(38,158)	-	(32,081)	-	(35,149)	-	(15,494)	-	-	-	(120,882)
Currency translation differences	-	-	3,114	-	106	-	(425)	-	(461,300)	-	(458,505)
30 June 2022	195,970	-	8,760	-	933	-	136	-	5,607,151	-	5,812,950
Book value											
30 June 2022	9,045,081	90,074	7,420,167	448,578	765,061	2,163	711,668	56,525	15,428,154	820,155	34,787,626
31 December 2021	8,770,768	97,426	7,752,205	282,101	771,620	5,107	1,369,066	186,282	14,898,032	848,779	34,981,386

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(1) Fixed assets (Continued)

For the period from 1 January to 30 June 2022, depreciation of fixed assets recognized amounted to RMB1,383,505,000 (For the period from 1 January to 30 June 2021: RMB1,148,776,000), of which RMB1,086,273,000, RMB23,159,000, RMB217,476,000 and RMB56,597,000 (For the period from 1 January to 30 June 2021: RMB941,134,000, RMB19,826,000, RMB119,319,000 and RMB68,497,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, research and development expenses, respectively.

For the period from 1 January to 30 June 2022, the original cost of fixed assets transferred from construction in progress is RMB1,066,919,000.

(1) Temporarily idle fixed assets

As at 30 June 2022, the carrying amount of temporarily idle fixed assets, amounts to RMB25,390,000 (original cost of RMB47,058,000) (31 December 2021: carrying amount of RMB26,056,000 and original cost of RMB47,629,000). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provisions	Carrying amount
Plants and buildings	30,404	(6,686)	–	23,718
Machinery and equipment	15,620	(13,873)	(157)	1,590
Motor vehicles	86	(77)	–	9
Office & other equipment	948	(821)	(54)	73
	47,058	(21,457)	(211)	25,390

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(1) Fixed assets (Continued)

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

	Carrying amount	Reason for pending
Factory	739,765	Put to use, certificate being in the progress
Workshop	355,855	Put to use, certificate being in the progress
Dormitory and canteen	121,681	Put to use, certificate being in the progress
Warehouse	88,128	Put to use, certificate being in the progress
Office building	66,002	Put to use, certificate being in the progress
Others	79,736	Put to use, certificate being in the progress
	1,451,167	

(3) *The plants and buildings, machinery and equipment, office & other equipment and motor vehicles signed by the Group as the lessor have no residual value guarantee clauses.*

(2) Disposal of fixed assets

	30 June 2022	31 December 2021
Plants and buildings	686	–
Machinery and equipment	17,148	690
Motor vehicles	59	10
Office & other equipment	664	13,296
	18,557	13,996

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress

(1) Construction in progress

	30 June 2022			31 December 2021		
	Book balance	Impairment provisions	Carrying amount	Book balance	Impairment provisions	Carrying amount
Ultra deep water drilling platform project	7,776,859	(2,426,397)	5,350,462	7,390,010	(2,305,699)	5,084,311
Raffles H273 and H1293 project	2,362,389	(1,073,800)	1,288,589	2,244,875	(1,020,385)	1,224,490
Enric Low temperature plant renovation project	760,979	-	760,979	753,455	-	753,455
Taicang CIMC Special Logistics Equipment Co., LTD. Special equipment painting line transformation and waste gas treatment project	378,690	-	378,690	291,156	-	291,156
CIMC Intelligent Logistics equipment project	363,927	-	363,927	241,810	-	241,810
CIMCNB water-based paint coating line reconstruction and waste treatment project	12,207	-	12,207	187,163	-	187,163
TCCRC workshop renovation project	74,863	-	74,863	105,249	-	105,249
Land project of Ningbo CIMC Logistics Equipment Co., LTD	136,644	-	136,644	98,800	-	98,800
YZTH factory relocation project	-	-	-	95,578	-	95,578
Raffles shore crane project	85,584	-	85,584	81,327	-	81,327
Dongguan southern CIMC Fenggang phase 2 project	211,727	-	211,727	59,635	-	59,635
TAS Industrial Park Phase III Dormitory project	57,572	-	57,572	55,951	-	55,951
Shanghai Zhongji Baowei Industrial Co., LTD. Coating line upgrade project	95,332	-	95,332	47,393	-	47,393
Tiezhongbao new plant preparation project	40,258	-	40,258	35,708	-	35,708
Financial information system construction project	44,567	-	44,567	35,207	-	35,207
Hengyang new material plant land project	32,778	-	32,778	32,778	-	32,778
Growth Fortune Steel structure plant construction project	32,639	-	32,639	28,983	-	28,983
TCCIMC relocation and reconstruction project	29,255	-	29,255	28,496	-	28,496
Vanguard-Trenton & Monon GA Plant	37,631	-	37,631	23,657	-	23,657
Kunming CIMC Vehicle Industrial Park project	74,220	-	74,220	22,746	-	22,746
Dongguan Multimodal Transport building project	18,483	-	18,483	18,483	-	18,483
Enric workshop construction project	23,704	-	23,704	18,388	-	18,388
Tianjin CIMC Special box line equipment renovation project	53,603	-	53,603	17,706	-	17,706
XHCIMCS production line and power facilities renovation	20,956	-	20,956	16,998	-	16,998
Yangshan Logistics Longteng Plan Final Assembly Model Project	83,992	-	83,992	16,110	-	16,110
Agitator drum line upgrade project	-	-	-	11,954	-	11,954
QDCRC Plant renovation project	13,781	-	13,781	4,868	-	4,868
CIMC Thailand Durian Factory Project	6,562	-	6,562	2,895	-	2,895
Qingdao CIMC cold chain industrial park project	106,154	-	106,154	5,252	-	5,252
Others	380,681	(2,484)	378,197	425,534	(305)	425,229
	13,316,037	(3,502,681)	9,813,356	12,398,165	(3,326,389)	9,071,776

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

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

	Budget amount	31 December 2021	Current period additions	Transferred to fixed assets	Decrease this period	Currency translation differences	30 June 2022	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: current period capitalised interest	Current period capitalised interest rate	Source of funds
Ultra deep water drilling platform project	7,881,201	7,390,010	-	-	-	386,849	7,776,859	99.00%	99.00%	1,633,432	-	-	Self-funding & bank loan
Raffles H273 and H1293 project	2,405,343	2,244,875	-	-	-	117,514	2,362,389	99.00%	99.00%	314,598	-	-	Self-funding & bank loan
Eric Low temperature plant renovation project	806,183	753,455	300,152	(292,963)	-	335	760,979	94.39%	94.39%	6,728	1,043	4.75%	Self-funding & bank loan
Taicang CIMC Special Logistics Equipment Co., LTD. Special equipment painting line transformation and waste gas treatment project	525,088	291,156	187,688	(100,154)	-	-	378,690	72.12%	72.12%	-	-	-	Self-funding
CIMC Intelligent Logistics equipment project	456,000	241,810	122,117	-	-	-	363,927	80.00%	80.00%	-	-	-	Self-funding
CIMCNCB water-based paint coating line reconstruction and waste treatment project	362,748	187,163	131,297	(303,932)	(2,321)	-	12,207	95.00%	95.00%	-	-	-	Self-funding
TCCRC workshop renovation project	169,023	105,249	58,584	(88,970)	-	-	74,863	80.63%	80.63%	-	-	-	Self-funding
Land project of Ningbo CIMC Logistics Equipment Co., LTD	176,965	98,800	43,263	(5,419)	-	-	136,644	77.22%	77.22%	-	-	-	Self-funding
YZTH factory relocation project	916,080	95,578	6,600	(102,178)	-	-	-	100.00%	100.00%	-	-	-	Self-funding
Raffles shore crane project	93,579	81,327	-	-	-	4,257	85,584	86.91%	86.91%	-	-	-	Self-funding
Dongguan southern CIMC Fenggang phase 2 project	490,337	59,635	160,071	(7,979)	-	-	211,727	87.84%	87.84%	-	-	-	Self-funding

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

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

	Budget amount	31 December 2021	Current period additions	Transferred to fixed assets	Decrease this period	Currency translation differences	30 June 2022	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: current period capitalised interest	Current period capitalised interest rate	Source of funds
TAS Industrial Park Phase III Dormitory project	161,000	55,951	1,621	-	-	-	57,572	35.76%	35.76%	-	-	-	Self-funding
Shanghai Zhongji Baowei Industrial Co., LTD. Coating line upgrade project	216,483	47,393	54,465	-	(6,526)	-	95,332	21.89%	21.89%	-	-	-	Self-funding
Tiezhongbao new plant preparation project	68,000	35,708	4,550	-	-	-	40,258	52.51%	52.51%	-	-	-	Self-funding
Financial information system construction project	210,419	35,207	9,360	-	-	-	44,567	21.18%	21.18%	-	-	-	Self-funding
Hengyang new material plant land project	120,614	32,778	-	-	-	-	32,778	27.18%	27.18%	-	-	-	Self-funding
Growth Fortune Steel structure plant construction project	31,409	28,983	2,060	-	-	1,596	32,639	90.00%	90.00%	-	-	-	Self-funding
TCCIMC relocation and reconstruction project	41,899	28,496	5,989	(5,230)	-	-	29,255	68.01%	68.01%	-	-	-	Self-funding
Vanguard-Trenton & Monon GA Plant	94,068	23,657	18,285	(5,968)	-	1,657	37,631	82.08%	82.00%	-	-	-	Self-funding
Kunming CIMC Vehicle Industrial Park project	119,460	22,746	51,474	-	-	-	74,220	62.51%	70.00%	-	-	-	Self-funding
Dongguan Multimodal Transport building project	23,000	18,483	-	-	-	-	18,483	80.36%	80.36%	-	-	-	Self-funding
Enric workshop construction project	25,419	18,388	5,316	-	-	-	23,704	93.25%	93.25%	-	-	-	Self-funding
Tianjin CIMC Special box line equipment renovation project	135,819	17,706	65,268	(29,371)	-	-	53,603	39.47%	39.47%	-	-	-	Self-funding

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

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

	Budget amount	31 December 2021	Current period additions	Transferred to fixed assets	Decrease this period	Currency translation differences	30 June 2022	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: current period capitalised interest	Current period capitalised interest rate	Source of funds
XHCIMCS production line and power facilities renovation	75,870	16,998	10,862	(6,904)	-	-	20,956	22.40%	22.40%	-	-	-	Self-funding
Yangshan Logistics Longteng Plan Final Assembly Model Project	178,301	16,110	67,882	-	-	-	83,992	47.11%	47.11%	-	-	-	Self-funding
Agitator drum line upgrade project	66,520	11,954	-	(6,841)	(5,113)	-	-	100.00%	100.00%	-	-	-	Self-funding
QDCRC Plant renovation project	135,963	4,868	15,910	(6,997)	-	13,781	3.58%	3.58%	-	-	-	-	Self-funding
CIMC Thailand Durian Factory Project	208,000	2,895	3,636	-	-	31	6,562	87.93%	87.93%	-	-	-	Self-funding
Qingdao CIMC cold chain industrial park project	210,000	5,252	100,902	-	-	-	106,154	50.55%	50.55%	-	-	-	Self-funding
Others		425,534	87,315	(104,013)	(28,219)	64	380,681	-	-	-	-	-	Self-funding
		12,398,165	1,514,667	(1,066,919)	(42,179)	512,303	13,316,037			1,954,758	1,043		

(3) Impairment provisions of construction in progress

	Impairment provisions of construction in progress						
	31 December 2021	Current period additions	Current period decrease	Currency translation differences	30 June 2022	Reason for provision	
Ultra deep water drilling platform project	2,305,699	-	-	120,698	2,426,397		
Raffles H273 and H1293 Project	1,020,385	-	-	53,415	1,073,800		
Others	305	2,179	-	-	2,484	The recoverable amount is below the carrying amount	
	3,326,389	2,179	-	174,113	3,502,681		

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Intangible assets and development expenditures

(1) Intangible assets

	Land use rights	Technical know-how and trade marks	Timber concession rights	Customer relationships	Customer contracts	Maritime space use rights	Franchise rights	Total
Original cost								
31 December 2021	4,467,944	2,886,055	133,202	455,813	338,829	109,553	123,218	8,514,614
Business combination	19,655	51	-	-	-	-	4,000	23,706
Additions	49,709	41,138	-	-	-	-	-	90,847
Disposal this period	(6,040)	(35,608)	-	-	-	-	(9)	(41,657)
Currency translation differences	40,743	7,232	3,902	5,293	6,918	2,944	26	67,058
30 June 2022	4,572,011	2,898,868	137,104	461,106	345,747	112,497	127,235	8,654,568
Accumulated amortisation								
31 December 2021	1,003,778	1,799,095	31,806	395,929	280,067	36,268	21,510	3,568,453
Provision	71,933	111,273	-	13,884	1,458	1,646	1,582	201,776
Transferred to investment properties	-	-	-	-	-	-	-	-
Disposal this period	(169)	(16,379)	-	-	-	-	-	(16,548)
Currency translation differences	30,752	132	924	7,949	6,493	2,150	959	49,359
30 June 2022	1,106,294	1,894,121	32,730	417,762	288,018	40,064	24,051	3,803,040
Impairment provisions								
31 December 2021	-	207,809	101,396	36,265	52,264	-	4,685	402,419
Provision	-	-	-	-	-	-	5,959	5,959
Currency translation differences	-	15,078	2,978	71	-	-	-	18,127
30 June 2022	-	222,887	104,374	36,336	52,264	-	10,644	426,505
Carrying amount								
30 June 2022	3,465,717	781,860	-	7,008	5,465	72,433	92,540	4,425,023
31 December 2021	3,464,166	879,151	-	23,619	6,498	73,285	97,023	4,543,742

From January to June 2022, amortisation expenses of intangible assets amounted to RMB201,776,000 (From January to June 2021: RMB202,036,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Intangible assets and development expenditures (Continued)

- (2) As at June 30, 2022, the land use rights with a book value of RMB50,399,000 (original price of RMB72,020,000) (December 31, 2021: book value of RMB51,070,000, original price of RMB72,020,000) had not been obtained due to the reason that it has not yet reached the state of use.
- (3) As at June 30, 2022, the intangible asset with indefinite useful lives is gas station franchise and a trademark right, which amounted to RMB115,148,000 (31 December 2021: RMB115,148,000).
- (4) As at June 30, 2022, the Group had no intangible assets with limited ownership (December 31, 2021: Nil).
- (5) Development expenditures are as follows:

	31 December 2021	Current period additions	Decrease this period		30 June 2022
			Current profits and losses	Recognised as intangible assets	
Project on vehicle technology	–	195,786	(193,815)	–	1,971
Others	–	874,538	(845,353)	–	29,185
	–	1,070,324	(1,039,168)	–	31,156

From January to June 2022, the Group's development expenditures amounted to RMB1,070,324,000 (January to June 2021: RMB952,135,000), among which RMB1,039,168,000 (January to June 2021: RMB935,346,000) was included in the current profits and losses, and none was recognised as intangible assets in current period (January to June 2021: RMB16,789,000). As at June 30, 2022, no intangible assets transferred from development expenditures within the Group (2021: accounted for 1.08% of the book value of intangible assets).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets

	Plants and buildings	Land use rights	Offshore engineering equipment	Machinery and equipment	Motor vehicles	Office & other equipment	Total
Original cost							
31 December 2021	669,721	407,809	13,137	157,061	105,815	49,670	1,403,213
Additions from lease contract	177,226	63,675	105,470	9,163	1,558	15,716	372,808
Decrease in current period	(38,286)	(79,113)	–	(52,902)	(39,289)	(48,849)	(258,439)
Currency translation differences	12,610	(6,811)	7,069	2,936	(1,022)	(90)	14,692
30 June 2022	821,271	385,560	125,676	116,258	67,062	16,447	1,532,274
Accumulated depreciation							
31 December 2021	273,898	140,958	3,071	100,573	7,481	12,673	538,654
Depreciation recognized in current period	45,368	32,955	53,832	7,558	1,339	2,147	143,199
Decrease in current period	(8,558)	(38,624)	–	(17,363)	(896)	(8,312)	(73,753)
Currency translation differences	11,442	(6,345)	3,747	176	(997)	(82)	7,941
30 June 2022	322,150	128,944	60,650	90,944	6,927	6,426	616,041
Book value							
30 June 2022	499,121	256,616	65,026	25,314	60,135	10,021	916,233
31 December 2021	395,823	266,851	10,066	56,488	98,334	36,997	864,559

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Goodwill

	31 December 2021	Current period additions	Current period decrease	Currency translation differences	30 June 2022
Enric	635,513	–	–	–	635,513
Vehicles UK	333,438	–	–	(13,786)	319,652
TGE SA	162,938	–	–	(2,468)	160,470
C&C Trucks	132,145	–	–	–	132,145
Bassoe	125,806	–	–	–	125,806
Shanghai Jindun	102,998	–	–	–	102,998
Others	1,274,331	82,575	(11,870)	1,106	1,346,142
Sub-total	2,767,169	82,575	(11,870)	(15,148)	2,822,726
Less: impairment provisions					
C&C Trucks	132,145	–	–	–	132,145
Bassoe	125,806	–	–	–	125,806
TGE SA	50,343	–	–	–	50,343
Shanghai Jindun	–	30,620	–	–	30,620
Others	190,409	–	–	5,387	195,796
Sub-total	498,703	30,620	–	5,387	534,710
Net value	2,268,466				2,288,016

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Goodwill (Continued)

(1) Impairment test of goodwill allocated to asset groups

All goodwill belongs to the Group has been allocated to relevant asset groups or combination of asset groups on the purchase date. There is no change in the allocation of goodwill for the period from 1 January to 30 June 2022. According to the Segment Reporting (Note XIV), the allocation is summarized as follows:

	30 June 2022	31 December 2021
Energy, chemical and liquid food equipment asset group	953,943	961,431
Road transportation vehicles asset group	395,474	408,521
Airport, facilities, fire safety and automated logistics equipment asset group	349,354	379,974
Logistics services asset group	238,880	219,317
Containers manufacturing asset group	160,664	128,836
Recycled load business asset group	61,308	52,380
Asset groups with insignificant allocation percentage of goodwill group	128,393	118,007
	2,288,016	2,268,466

When doing goodwill impairment test, the Group compares the carrying amount of the relevant asset or asset group combination (including goodwill) with its recoverable amount. If the recoverable amount was less than the carrying amount, the related difference was recognized in the current profit or loss (Note IV.61).

23. Long-term prepaid expenses

	31 December 2021	Current period additions	Current period amortization	Decrease in disposal of subsidiaries	Currency translation differences	30 June 2022
Yard facility expenses	7,254	26,199	(7,017)	–	(2,897)	23,539
Project insurance and commission	14,333	2,875	(626)	(14,021)	(305)	2,256
Drilling platform mobilization fee (i)	285,252	–	(39,693)	–	(15,312)	230,247
Improvements to Right-of-use asset	19,409	3,660	(4,463)	–	(5,022)	13,584
Improvement of engineering vessel	114,731	88,961	(27,935)	–	(2,363)	173,394
Others	62,475	78,671	(53,623)	(136)	(1,205)	86,182
	503,454	200,366	(133,357)	(14,157)	(27,104)	529,202

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

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets and deferred tax liabilities

(1) The unoffset deferred tax assets

	30 June 2022		31 December 2021	
	Deductible temporary differences/ losses	Deferred tax assets	Deductible temporary differences/ losses	Deferred tax assets
Deferred tax assets:				
Provision for asset impairment	594,262	106,778	1,832,900	410,967
Accrued liability	938,823	186,801	856,306	176,945
Employee benefits payable	1,873,795	421,371	2,502,554	529,014
Accrued expenses	686,511	144,609	768,810	157,010
Deductible losses	1,861,011	332,444	1,578,897	464,279
Fair value changes of derivative financial instruments	392,436	79,237	21	3
Right-of-use assets	80,685	18,565	3,298	766
Intra-group unrealised revenue	89,170	22,292	13,334	1,775
Others	186,799	32,704	293,187	51,330
Sub-total	6,703,492	1,344,801	7,849,307	1,792,089
Including:				
Amount expected to be reversed within 1 year (inclusive)		500,608		529,017
Amount expected to be reversed over 1 year		844,193		1,263,072
		1,344,801		1,792,089

Notes to the Financial Statements

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) The unoffset deferred tax liabilities

	30 June 2022		31 December 2021	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities:				
Fair value changes of derivative financial instruments	(75,096)	(17,093)	(560,038)	(116,918)
Fair value changes of Investment properties	(473,127)	(118,282)	(438,321)	(109,580)
Revaluation gain through combination	(298,996)	(51,468)	(412,550)	(71,042)
Gross profit of overseas projects (pay tax after completion)	(260,169)	(104,747)	(298,722)	(74,680)
Accelerated depreciation of long-term assets	(883,454)	(180,162)	(1,156,193)	(252,808)
Non-resident foreign companies pay dividends to the Mainland	–	–	(968,652)	(242,163)
Enterprise relocation income	(12,761,554)	(3,190,389)	(12,761,554)	(3,190,389)
Others	(526,296)	(91,629)	(457,336)	(79,623)
Sub-total	(15,278,692)	(3,753,770)	(17,053,366)	(4,137,203)
Including:				
Amount expected to be reversed within 1 year (inclusive)		(3,325,764)		(3,416,887)
Amount expected to be reversed over 1 year		(428,006)		(720,316)
		(3,753,770)		(4,137,203)

(3) Unrecognized deferred tax assets:

	30 June 2022	31 December 2021
Deductible losses	3,311,004	3,199,273
Others	284,881	309,586
	3,595,885	3,508,859

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

	30 June 2022	31 December 2021	Note
2022	119,688	124,725	
2023	144,052	153,651	
2024	182,596	183,430	
2025	198,910	199,789	
2026	292,932	294,227	Note 1
2027 and beyond	13,647,044	13,325,378	
	14,585,222	14,281,200	

Note 1: As at 30 June 2022, unrecognized deferred tax assets aged over 5 years (inclusive) arising from deductible tax losses resulted from foreign subsidiaries' operating losses. Deductible tax losses generated from Hong Kong, the United States of America, the United Kingdom of Great Britain and Belgium can be offset with future profit indefinitely; deductible tax losses generated from the Netherlands can be offset in the subsequent six years.

(5) Taxable temporary differences for unrecognized deferred tax liabilities

As at 30 June 2022, as for the tax effects may arising from the accumulated undistributed profits of Hong Kong and other overseas subsidiaries, since the Group can control the dividend distribution policy of its subsidiaries and has decided not to distribute dividends in the foreseeable future and has no intent to dispose such subsidiaries, the deferred income tax liabilities on such taxable temporary differences of RMB1,151,899,000 (31 December 2021: RMB2,222,231,000) was not recognized.

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

	30 June 2022		31 December 2021	
	Offsetting amount	Offsetting balances	Offsetting amount	Offsetting balances
Deferred tax assets	(223,049)	1,121,752	(526,282)	1,265,807
Deferred tax liabilities	223,049	(3,530,721)	526,282	(3,610,921)

25. Other non-current assets

	30 June 2022	31 December 2021
Prepayment for equipment	121,874	63,959
Prepayment for construction	21,805	5,812
Others	33,170	10,881
	176,849	80,652

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Provision for asset impairment and losses

	31 December 2021	Current period additions	Current period decrease		Decrease due to disposal of subsidiaries	Currency translation differences	30 June 2022
			Reversal	Write-off			
Provision for bad debts of note receivables	1,627	2,418	(3,217)	(19)	-	(32)	777
Provision for bad debts of accounts receivable financing	1,587	124	(710)	-	-	(15)	986
Provision for bad debts of accounts receivables	1,439,831	194,037	(54,995)	(848)	(7,092)	(30,838)	1,540,095
Provision for bad debts of other receivables	324,137	9,136	(781)	(4,659)	(342)	12,284	339,775
Impairment provisions of long-term receivables	1,402,908	2,629	(2,648)	-	(1,400,103)	(1,028)	1,758
Sub-total	3,170,090	208,344	(62,351)	(5,526)	(1,407,537)	(19,629)	1,883,391
Provision for bad debts of advances to suppliers	40,609	-	-	-	-	(4,333)	36,276
Provision for impairment of inventories and impairment of costs incurred to fulfill a contract	1,445,429	31,652	(20,647)	(80,104)	-	46,996	1,423,326
Impairment provisions of contract assets	64,666	2,886	(6,869)	-	-	(4,457)	56,226
Impairment provisions of long-term equity investments	188,834	-	-	-	-	2,395	191,229
Impairment provisions of fixed asset	6,392,314	23	-	(120,882)	-	(458,505)	5,812,950
Impairment provisions of construction in progress	3,326,389	2,179	-	-	-	174,113	3,502,681
Impairment provisions of intangible assets	402,419	5,959	-	-	-	18,127	426,505
Impairment provisions of goodwill	498,703	30,620	-	-	-	5,387	534,710
Sub-total	12,359,363	73,319	(27,516)	(200,986)	-	(220,277)	11,983,903
	15,529,453	281,663	(89,867)	(206,512)	(1,407,537)	(239,906)	13,867,294

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

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Restricted Assets

As at 30 June 2022, assets with restrictions in their ownerships are as follows:

	Note	30 June 2022	Restricted reasons
– Cash at bank and on hand	IV.1	1,232,067	Margin, deposit of statutory reserves of the central bank and time deposits with maturity of more than three months, etc.
– Notes receivables	IV. 4	88,438	Pledge
– Receivable financing	IV. 6	12,494	Pledge
		1,332,999	

28. Short-term borrowings

	Note	30 June 2022	31 December 2021
Guaranteed	(a)		
USD		3,614,457	3,047,425
RMB		1,075,238	979,580
EUR		58,527	195,584
THP		63,028	57,521
Sub-total		4,811,250	4,280,110
Pledged	(b)		
RMB		–	6,448
Unsecured			
USD		1,787,795	1,493,897
EUR		111,817	61,038
GBP		91,810	318,549
RMB		1,021,513	946,751
AUD		–	137
HKD		25,698	–
Others		–	20,412
Sub-total		3,038,633	2,840,784
Rediscounted notes			
RMB		4,004	–
Discounted notes			
RMB		–	77,329
		7,853,887	7,204,671

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Short-term borrowings (Continued)

- (a) As at 30 June 2022, the guaranteed loan of RMB4,811,250,000 (31 December 2021: RMB4,280,110,000) was guaranteed by the Group internally.
- (b) As at 30 June 2022, the Group has no short-term pledged loan. As at 31 December 2021, the Group's short-term pledged loans were: CIMC Commercial Factoring Co., Ltd., the subsidiary, borrowed RMB6,448,000 from Kasikorn Bank with accounts receivable as pledges.
- (c) As at 30 June 2022, the interest rate of short term borrowing ranged from 0.05% to 4.55% (31 December 2021: 0.05% to 4.90%).

29. Notes Payable

	30 June 2022	31 December 2021
Bank acceptance notes	3,546,418	4,638,473
Trade acceptance notes	553,108	577,248
	4,099,526	5,215,721

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accounts Payables

	30 June 2022	31 December 2021
Due to raw material suppliers	14,895,886	13,182,641
Project contracts charges	144,828	662,646
Integrated logistics services charges	3,162,883	2,418,339
Equipment procurement charges	791,339	569,799
Project procurement charges	310,020	94,245
Processing charges	170,393	170,304
Transportation charges	213,519	48,315
Others	155,938	358,449
	19,844,806	17,504,738

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

	30 June 2022	31 December 2021
Within 1 year (inclusive)	17,398,618	16,846,937
1 to 2 years (inclusive)	1,701,678	262,336
2 to 3 years (inclusive)	354,772	181,432
Over 3 years	389,738	214,033
	19,844,806	17,504,738

As at 30 June 2022, accounts payables over 1 year with a carrying amount of RMB2,446,188,000 (31 December 2021: 657,801,000) were mainly payables related to offshore engineering business, energy and chemicals business. Since the production cycle of the offshore engineering business, energy and chemicals business was usually more than one year, the payables have not yet been settled.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Advances from customers

	30 June 2022	31 December 2021
Rental advances	3,348	16,941

As at 30 June 2022, there is no advance receipts with an age of more than one year in the group (31 December, 2021: Nil).

32. Contract liabilities

	30 June 2022	31 December 2021
Advances for goods	5,267,438	4,976,805
Advances for construction	4,155,597	2,038,200
Advances for trade and logistics	310,204	412,324
Advances for property	12,339	–
	9,745,578	7,427,329

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Employee benefits payable

	Note	30 June 2022	31 December 2021
Short-term wages	(1)	4,361,371	4,489,684
Defined contribution plans	(2)	58,079	37,686
Dismissal welfare	(3)	13,688	7,333
		4,433,138	4,534,703

(1) Short-term wages

	31 December 2021	Current period additions	Current period decreases	Currency translation differences	30 June 2022
Wages and salaries, bonuses, allowances and subsidies	3,714,056	4,979,629	(5,118,027)	(2,869)	3,572,789
Profit-sharing and senior management bonus	396,794	–	(14,753)	–	382,041
Housing funds	5,412	168,242	(164,642)	(107)	8,905
Labor union funds and employee education funds	116,249	30,402	(45,176)	(25)	101,450
Social security contributions and others	14,917	142,478	(139,189)	(87)	18,119
Including: Medical insurance	12,781	126,693	(125,135)	(12)	14,327
Work injury insurance	1,157	11,730	(10,131)	(74)	2,682
Maternity insurance	979	4,055	(3,923)	(1)	1,110
Other short-term wages	242,256	194,105	(157,509)	(785)	278,067
	4,489,684	5,514,856	(5,639,296)	(3,873)	4,361,371

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(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Employee benefits payable (Continued)

(2) Defined contribution plans

	31 December 2021	Current period additions	Current period decreases	Currency translation differences	30 June 2022
Basic pensions	36,072	321,368	(299,790)	(745)	56,905
Unemployment insurance	1,627	8,242	(8,481)	(271)	1,117
Enterprise annuities	(13)	4,644	(4,574)	–	57
	37,686	334,254	(312,845)	(1,016)	58,079

The Group pays the endowment insurance premium and unemployment insurance premium to relevant agencies on a monthly basis. The base and proportion are specified by the local labor and social security department. The payment cannot be used to offset the amount that the Group should deposit for employees in the future.

(3) Dismissal welfare

	30 June 2022	31 December 2021
Others (i)	13,688	7,333

(i) As at 30 June 2022, the Group provide other compensation amounting to RMB13,688,000 to compensate for the termination of employment relationship.

34. Taxes payable

	30 June 2022	31 December 2021
Valued-added tax payable	364,508	378,989
Corporate income tax payable	1,115,406	2,191,565
Withholding individual income tax	53,854	49,342
City maintenance and construction tax payable	72,862	107,940
Educational surcharge payable	47,856	74,530
Land appreciation tax	6,129	4,174
Others	156,295	63,750
	1,816,910	2,870,290

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other payables

	Note	30 June 2022	31 December 2021
Accruals		3,169,903	3,073,867
Advance received		806,097	2,594,337
Quality guarantees		833,093	886,825
Equipment or land use rights		510,687	401,993
Transportation expenses		180,710	342,028
Advanced equity payments	(2)	65,340	1,469,467
Equity incentive	(1)	139,719	139,719
Dividends		2,750,077	94,001
Insurances		30,918	51,504
Equity payments		130,484	–
Restricted stock repurchase		47,704	47,704
Restructuring provisions		8,458	30,549
External commission		59,116	13,953
Professional and training fees		–	7,000
Interest Payable		3,562	2,794
Including: Interest of short-term borrowings		3,477	2,208
Interest of long-term borrowings		85	586
Others		516,966	226,398
		9,252,834	9,382,139

(1) The Equity incentive (Note IX. 2) are mainly the payables of CIMC Safeway Technologies Co., Ltd (“CIMC Safeway Tech”), a subsidiary of the Group.

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other payables (Continued)

- (2) On 8 June 2022, The CIMC Enric Board announces that it has resolved to adopt the equity incentive scheme of CIMC LPT (a subsidiary of CIMC Enric) to recognize the past and present contributions and to incentivize the future contributions by the Participants to the Liquid Food Business Unit. Pursuant to the Scheme, the grant date is 1 January 2022, Incentive Equity Interest in CIMC LPT will be granted to the Participants through the Partnership Platforms by way of subscribing for new registered capital in CIMC LPT. The total capital contribution to CIMC LPT will be approximately RMB83,000,000, representing approximately 6.33% of the enlarged registered capital of CIMC LPT. As at 30 June 2022, the Participants have paid in RMB65,340,000.
- (3) As at 30 June 2022, other payables aged more than one year are mainly unsettled quality guarantee fund, deposits, etc.

36. Provisions

	Note	31 December 2021	Current period additions	Current period decreases	Currency translation differences	30 June 2022
Product warranties	(1)	1,078,063	138,209	(102,280)	12,614	1,126,606
Loss of pending actions		6,941	386	(6,838)	-	489
Relocation and liquidation compensation	(2)	175,051	-	(123)	-	174,928
Loss contract	(3)	93,023	783	(9,708)	2,132	86,230
Provisions for vehicle loan risks	(4)	48,565	36,467	(43,614)	-	41,418
Others		23,150	41,033	-	2,975	67,158
		1,424,793	216,878	(162,563)	17,721	1,496,829

- (1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for trailers, one to seven years for tank equipments, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Product warranties" represents the Group's estimated obligation for such warranties of products sold out during the period and in the previous fiscal years.
- (2) It is mainly the relocation and liquidation compensation that accrued by SCIMCEL and CIMC Burg B.V., both are subsidiaries of the Group, due to relocation and liquidation.
- (3) Yantai Raffles undertakes construction contracts with customers. As the construction costs of some projects exceed the contracted prices, losses are expected to be incurred or the projects will be terminated and corresponding estimated loss are provided for based on the estimated loss amounts.
- (4) Subsidiaries of the Group provided guarantees for consumers in respect of vehicle financing. Under the terms of the financial guarantee contracts, subsidiaries of the Group act as guarantors of vehicle financing for consumers of the vehicles sold and are required to discharge their debts or assume liabilities in the event of default of the debtors. The Group does not expect that the credit risk of the above loan commitments has significantly increased since initial recognition, thus measures the allowance for those commitments at an amount equal to 12-month expected credit losses.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Current portion of non-current liabilities

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

	Note	30 June 2022	31 December 2021
Current portion of long-term borrowings	IV. 39	5,977,822	5,834,823
Debentures payable due within one year	IV. 40	4,104,811	6,089,486
Current portion of lease liability	IV. 41	402,320	439,045
Current portion of long-term payables		26,236	70,939
		10,511,189	12,434,293

38. Other current liabilities

	30 June 2022	31 December 2021
VAT to be sold out (i)	339,301	260,675
Trade acceptance notes (ii)	67,115	–
Others	112,151	416,319
	518,567	676,994

(i) Other non-current liabilities are mainly the amount of value-added tax contained in the Group's VAT to be sold out.

(ii) The subsidiary CHINA INTERNATIONAL MARINE CONTAINERS (HONG KONG) LIMITED, added USD10 million trade acceptance notes in offshore commercial paper during the period, based on the USD300 million offshore commercial coupon project. The subsidiary CHINA INTERNATIONAL MARINE CONTAINERS (HONG KONG) LIMITED was the issuer, Bank of CHINA and its related institutions provided credit service support, and the Company provided joint and several liability guarantee with a total amount of USD300 million.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Long-term borrowings

	Note	30 June 2022	31 December 2021
Unsecured		7,751,430	8,598,889
Mortgaged	(i)	–	1,122,237
Guaranteed	(ii)	17,852,329	17,428,327
Pledged	(iii)	299,644	337,100
		25,903,403	27,486,553
Less: current portion of long-term borrowings			
Unsecured		(3,999,194)	(3,601,880)
Mortgaged	(i)	–	(183,677)
Guaranteed	(ii)	(1,941,172)	(1,974,355)
Pledged	(iii)	(37,456)	(74,911)
		(5,977,822)	(5,834,823)
		19,925,581	21,651,730

- (i) As at 30 June 2022, the Group had no long-term mortgage loan and no mortgage loan due within one year. (As at 31 December 2021, the long-term mortgage loan of the Group was a loan of USD175,967,000 (equivalent to RMB1,122,237,000) from the bank by CIMC Financial Leasing, the subsidiary of the Group, with the contractual object of its finance lease as collateral, and an amount of USD28,800,000 (equivalent to RMB183,677,000) will expire within one year).
- (ii) As at 30 June 2022, the Group's bank guaranteed borrowings of RMB17,852,329,000 (31 December 2021: RMB17,428,327,000) was guaranteed by the Group.
- (iii) As at 30 June 2022, the Group's long-term pledged borrowing was subsidiary China Fire Safety borrowed RMB299,644,000 from bank with 60% equity of its subsidiary Shenyang Jietong and 100% equity of Shanghai Jindun Special Vehicle Equipment as collateral of which the pledged loan that expire within one year were RMB37,456,000. (As at 31 December 2021, the Group's long-term pledged borrowing was subsidiary China Fire Safety borrowed RMB337,100,000 from bank with 60% equity of its subsidiary Shenyang Jietong and 100% equity of Shanghai Jindun Special Vehicle Equipment as collateral of which the pledged loan that expire within one year were RMB74,911,000).
- (iv) As at 30 June 2022, the interest rate of long-term borrowings ranged from 1.19% to 4.90% (31 December 2021: 1.19% to 5.25%).

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Debentures payable

	Note	31 December 2021	Issued this period	Interest accrued at face value	Principal repaid this period	Interest repaid this period	Currency translation differences	30 June 2022
Medium-term notes	(1)	4,073,958	500,000	61,108	(2,000,000)	(81,000)	-	2,554,066
Corporation bonds	(2)	2,015,528	-	36,300	-	-	-	2,051,828
Convertible bond	(3)	1,234,980	-	74,978	-	-	-	1,309,958
		7,324,466	500,000	172,386	(2,000,000)	(81,000)	-	5,915,852
Less: debentures payable due within one year		(6,089,486)						(4,104,811)
		1,234,980						1,811,041

(1) Medium-term notes are as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
19 CIMC MTN002 (i)	2,000,000	10/10/2019	3 years	2,000,000
22 CIMC GN001 (ii)	500,000	01/06/2022	3 years	500,000
	2,500,000			2,500,000

- (i) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 10 October 2019; with par value and issue price of RMB100 respectively per note and fixed interest rate of 3.64% per annum. Interest is to be paid on 10 October each year in the arrears until redemption and par value to be paid on 10 October 2022. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (ii) The Company issued green medium-term notes (MTN) (blue bond) with amount of RMB0.5 billion on 1 June 2022; with par value and issue price of RMB100 respectively per note and fixed interest rate of 2.6% per annum. Interest is to be paid on 1 June each year in the arrears until redemption and par value to be paid on 1 June 2025. The notes are unsecured and targets institutional investors in the national inter-bank market.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Debentures payable (Continued)

(2) Corporation bonds

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

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

(3) Convertible bond

On 30 November 2021, CIMC Enric, the subsidiary of the Group, issued 5-year zero coupon convertible bond at a principal amount of HKD1,680,000,000 pursuant to the relevant subscription agreement dated on 16 November 2021. The maturity date of the bonds is 30 November 2026. Under the terms of the convertible bonds, bondholders may convert all or some of their bonds into ordinary shares of CIMC Enric Holdings Limited at any time on or after 10 January 2022 up to the 10th day prior to 30 November 2026 based on the conversion price of HKD11.78 per share.

Under the terms of the convertible bonds, upon the occurrence of certain events specified in the agreement, the bondholders will have the right to require CIMC Enric to redeem all or some of such holder's bonds on 30 November 2024 at their principal amount, together with unpaid default interest thereon (if any).

Unless previously redeemed, converted or purchased and cancelled, CIMC Enric will redeem each bond at its principal amount, together with accrued and unpaid interest thereon, on 30 November 2026 or in certain circumstances specified in the agreement.

There are embedded derivatives in respect of the early redemption features of the 2021 Convertible Bonds. Such embedded derivatives are deemed to be clearly and closely related to the host contract and therefore do not need to be separately accounted for.

As at the date of issue, the fair value of the liability component and the equity component of the 2021 Convertible Bonds was disclosed as below:

Principal amount	1,374,106
Transaction cost	(18,002)
Liability component	(1,232,160)
Equity component	123,944

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Debentures payable (Continued)

(3) Convertible bond (Continued)

Subsequent to the initial recognition, the liability component of the 2021 Convertible Bonds has been carried at amortised cost using the effective interest method. The effective interest rate of the liability component of the 2021 Convertible Bonds was 2.9% per annum as at 30 June 2022. The movement of the liability component and the equity component of the 2021 Convertible Bonds as at for the year ended 30 June 2022 is set out below:

	Liability component	Equity component	Total
As at 1 January 2022	1,234,980	123,944	1,358,924
Issuance	–	–	–
Interest	74,978	–	74,978
Currency translation differences	–	–	–
As at 30 June 2022	1,309,958	123,944	1,433,902

The equity component will remain in convertible bond equity reserve until the embedded conversion option is exercised or the convertible bonds reach its maturity in 2026.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Lease Liabilities

	30 June 2022	31 December 2021
Lease liabilities	904,057	881,081
Less: Current portion of lease liabilities due within one year (Note IV (37))	(402,320)	(439,045)
	501,737	442,036

- (1) As of 30 June 2022, the events that not included in lease liabilities but will lead to potential cash outflow of the Group are as follows:

As of 30 June 2022, the lease payments related to the lease contracts that signed by the Group but not yet taken effect are RMB0 (31 December 2021: RMB4,349,000).

42. Deferred Income

	Note	31 December 2021	Current period additions	Current period decreases	30 June 2022
Government grants	(1)	973,440	84,728	(68,306)	989,862
Others		2,807	3,068	(446)	5,429
		976,247	87,796	(68,752)	995,291

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

	31 December 2021	Increase in the current period	Decrease in the current period			30 June 2022	Assets related/ income related
			Other income	Write down financial expenses	Other decrease		
Yantai Raffles National Development and Reform Commission on the release of industrial upgrading project	200,000	-	-	-	-	200,000	Assets related
Enric relocation compensation	149,142	-	(3,982)	-	-	145,160	Assets related
Enric new factory government grants	61,906	-	1,735	-	-	63,641	Assets & income related
Enric Peak-shaving station government grants	59,347	-	-	-	-	59,347	Income related
Dongguan Southern CIMC Logistics Equipment Manufacture intelligent production line project	39,420	-	-	-	-	39,420	Assets related
Shaanxi CIMC Vehicles Industry	37,668	-	(64)	-	-	37,604	Assets & income related
Qianhai Innovation and entrepreneurship carrier special funds	33,688	-	-	-	-	33,688	Assets related
Raffles Maritime Satellite Launch and Recovery Project	24,721	10,192	(3,256)	-	(67)	31,590	Assets related
C&C Trucks government build donation	23,626	-	(462)	-	-	23,164	Income related
TAS industrial base project	23,384	-	(711)	-	-	22,673	Assets related
Ningbo CIMC Industry and Technology development special funds	21,288	-	(296)	-	-	20,992	Assets related
QDCRC world bank foaming	18,294	-	(1,155)	-	-	17,139	Assets related
SYFFVF relocation compensation	15,691	-	(202)	-	-	15,489	Assets related
Chuzhou government grants for fixed asset	14,175	-	(220)	-	-	13,955	Assets related
Raffles' Research on Design Technology Offshore Permeable Structure	13,033	-	-	-	(4)	13,029	Assets related
Shenzhen Special Vehicle Grant for fixed assets Improvement	12,518	1,863	(716)	-	-	13,665	Assets related
Hengyang New Materials Infrastructure Construction Support Fund	4,965	-	(208)	-	-	4,757	Assets & income related
CIMC Offshore Holdings' Development and application demonstration of deep-sea high-performance offshore wind power operation and maintenance vessels and core equipment	12,055	-	(785)	-	-	11,270	Income related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2021	Increase in the current period	Decrease in the current period			30 June 2022	Assets related/ income related
			Other income	Write down financial expenses	Other decrease		
QDSCR world bank foaming equipment project	8,957	-	(566)	-	-	8,391	Assets related
YZTH discount on loan for construction of factory	7,109	-	-	(4,696)	-	2,413	Assets & income related
CIMC Offshore Holdings offshore test platform project	1,923	-	(31)	-	-	1,892	Assets related
Ningbo CIMC intelligent project transformation	-	30,000	(208)	-	-	29,792	Assets related
YZTH fixed assets technical transformation support fund	-	4,159	(208)	-	-	3,951	Income related
Luoyang CIMC Lingyu special fund subsidy for high quality development of manufacturing industry	-	3,830	(606)	-	-	3,224	Assets related
Enric special fund for carbon neutral scientific and technological innovation	-	12,000	-	-	-	12,000	Assets related
Others	190,530	22,684	(25,212)	-	(26,386)	161,616	Assets/income related
	973,440	84,728	(37,153)	(4,696)	(26,457)	989,862	

43. Other non-current liabilities

	Note	30 June 2022	31 December 2021
Interest rate swap contract	IV. 3(3)	6,151	-
Rental advances		-	286
Others		4,365	2,780
		10,516	3,066

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 December 2021 '000	Current period Additions '000	Current period Decreases '000	Change of Shares subject to selling restriction '000	30 June 2022 '000
Shares subject to trading restriction					
Held by domestic natural person	850	–	–	–	850
Share not subject to trading restriction					
RMB dominated ordinary shares	1,534,272	–	–	–	1,534,272
Foreign shares listed overseas	2,059,892	–	–	–	2,059,892
	3,595,014	–	–	–	3,595,014

	31 December 2020 '000	Current year Additions '000	Current year Decreases '000	Change of Shares subject to selling restriction '000	31 December 2021 '000
Shares subject to trading restriction					
Held by domestic natural person	850	–	–	–	850
Share not subject to trading restriction					
RMB dominated ordinary shares	1,534,272	–	–	–	1,534,272
Foreign shares listed overseas	2,059,892	–	–	–	2,059,892
	3,595,014	–	–	–	3,595,014

45. Other equity instruments

	31 December 2021	Current period Issuance	Interest at Par value	Paid in Current period	30 June 2022
22 CIMC MTN001 (i)	–	2,000,000	23,335	–	2,023,335
	–	2,000,000	23,335	–	2,023,335

	31 December 2020	Current year Issuance	Interest at Par value	Paid in Current year	31 December 2021
18 Marine Containers MTN002 (18海運集裝MTN002)	2,006,165	–	84,499	(2,090,664)	–
18 Renewable Corporate Bonds Tranche 1	2,001,380	–	89,960	(2,091,340)	–
Perpetual Bond Investment Agreement	300,497	–	813	(301,310)	–
	4,308,042	–	175,272	(4,483,314)	–

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments (Continued)

- (i) Approved by the Notice of Zhong Shi Xie Zhu No. [2021]DFI31 from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會), the Company issued medium-term notes without fixed maturity on 16 February 2022 ("22 Marine Containers MTN001"), with an aggregate nominal amount of RMB2 billion and an initial fixed interest rate of 3.21%. The other principal terms of the perpetual medium term notes are as follows:
- (1) No definite principal repayment date has been set for the bond, and the issuer shall repay the principal and all the unpaid interest on the redemption date.
 - (2) The bond confers the issuer the option to defer interest payment, and unless a mandatory interest payment event has occurred, on each interest payment date of the current perpetual notes, the issuer can elect to defer payment of current interest and all interest deferred pursuant to this clause and its fruits to the next interest payment date without any limitation on the number of times of such deferral.
 - (3) If the issuer pays dividends to ordinary shareholders or reduces the registered capital within 12 months before the interest payment date of the current perpetual note, the issuer shall not defer the payment of the current interest and all interest deferred pursuant to this clause and its fruits. When the issuer has deferred payment of interest, it shall not pay dividends to ordinary shareholders or reduce registered capital until the deferred interest and its fruits have been fully paid off.

46. Capital reserve

	31 December 2021	Current period Additions	Current period Decreases	30 June 2022
Capital surplus	5,191,334	659,473	(314,399)	5,536,408
Including: Capital reserve due to minority shareholder's contribution	1,900,737	562,963	-	2,463,700
Disposal of partial equity of subsidiary	915,936	71,112	-	987,048
Capital reserve due to acquiring minority shareholders' equity subsidiary	(786,284)	25,398	(314,399)	(1,075,285)
Capital reserve due to acquisition or establishment of subsidiary	(107,258)	-	-	(107,258)
Others	3,268,203	-	-	3,268,203
Other capital reserve	332,762	54,783	-	387,545
Including: Equity settled share-based payment	529,599	39,516	-	569,115
Capital reserve due to share option exercised by subsidiary	(15,112)	3,265	-	(11,847)
Subsidiary issuance of convertible bond	123,944	-	-	123,944
Exchange reserve on foreign currency capital	(406,795)	-	-	(406,795)
Others	101,126	12,002	-	113,128
	5,524,096	714,256	(314,399)	5,923,953

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital reserve (Continued)

	31 December 2020	Current year Additions	Current year Decreases	31 December 2021
Capital surplus	5,299,651	227,135	(335,452)	5,191,334
Including: Capital reserve due to minority shareholder's contribution	1,854,640	47,858	(1,761)	1,900,737
Disposal of partial equity of subsidiary	915,936	–	–	915,936
Capital reserve due to acquiring minority shareholders' equity of subsidiary	(631,870)	179,277	(333,691)	(786,284)
Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	–	(107,258)
Others	3,268,203	–	–	3,268,203
Other capital reserve	163,554	210,561	(41,353)	332,762
Including: Equity settled share-based payment	461,076	68,523	–	529,599
Capital reserve due to share option exercised by subsidiary	7,845	–	(22,957)	(15,112)
Subsidiary issuance of convertible bond	–	123,944	–	123,944
Exchange reserve on foreign currency capital	(406,795)	–	–	(406,795)
Others	101,428	18,094	(18,396)	101,126
	5,463,205	437,696	(376,805)	5,524,096

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(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other comprehensive income

	Other comprehensive income in balance sheet		Other comprehensive income in the income statement for the period from 1 January to 30 June 2022				
	31 December 2021	Post-tax amount attributable to the Company	30 June 2022	Pre-tax amount incurred	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority
Items that will not be reclassified to profit or loss							
– Changes in fair values of other equity investments	368,125	(107,081)	261,044	(107,081)	–	(107,081)	–
Items that may be reclassified subsequently to profit or loss							
– Currency translation differences	23,852	(149,290)	(125,438)	(213,251)	–	(149,290)	(63,961)
– The share of other comprehensive income that will be reclassified into profit or loss under equity method	8,235	–	8,235	–	–	–	–
– The amount greater than the book value on the conversion date when the self-use real estate was converted to investment properties using fair value measurement	384,678	7,231	391,909	7,231	–	7,231	–
	784,890	(249,140)	535,750	(313,101)	–	(249,140)	(63,961)

	Other comprehensive income in balance sheet		Other comprehensive income in the 2021 income statement				
	31 December 2020	Post-tax amount attributable to the Company	31 December 2021	Pre-tax amount incurred	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority
Items that will not be reclassified to profit or loss							
– Changes in fair values of other equity investments	386,243	(18,118)	368,125	(18,118)	–	(18,118)	–
Items that may be reclassified subsequently to profit or loss							
– Currency translation differences	141,325	(117,473)	23,852	(217,688)	–	(117,473)	(100,215)
– The share of other comprehensive income that will be reclassified into profit or loss under equity method	8,523	(288)	8,235	(288)	–	(288)	–
– The amount greater than the book value on the conversion date when the self-use real estate was converted to investment properties using fair value measurement	384,678	–	384,678	–	–	–	–
	920,769	(135,879)	784,890	(236,094)	–	(135,879)	(100,215)

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2021	Current period additions	Current period decreases	30 June 2022
Statutory surplus reserve	1,797,505	–	–	1,797,505
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	3,587,597	–	–	3,587,597

	31 December 2020	Current year additions	Current year decreases	31 December 2021
Statutory surplus reserve	1,797,505	–	–	1,797,505
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	3,587,597	–	–	3,587,597

In accordance with the PRC Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year (including shareholder and other equity holders of the Company) to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities. The Company's surplus reserve has reached 50% of the registered capital and is no longer being accrued.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities.

49. Undistributed profits

	Note	For the period from 1 January to 30 June 2022	2021
Undistributed profit at the beginning of the year		31,627,036	26,142,889
Add: net profit attributable to the shareholders and other equity holders of the Company for the current period		2,538,512	6,665,323
Less: equity attribute to holders of other equity instruments in current period		(23,335)	(175,272)
Less: ordinary share dividends payable	(1)	(2,480,559)	(1,005,904)
Undistributed profits at the end of the period		31,661,654	31,627,036

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the period

	For the period from 1 January to 30 June 2022	2021
Dividends proposed but not declared at the end of the period	2,480,559	–
Total proposed dividends in the current period	2,480,559	1,005,904

Approved by the shareholders' general meeting on 28 June 2022, the Company distributed cash dividends to ordinary shareholders on 18 August 2022, at RMB0.69 per share (2021: RMB0.28 per share), totaling RMB2,480,559,000 (2021: RMB1,005,904,000).

50. Revenue and cost of sales

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Revenue from main operations	71,029,541	71,562,133
Revenue from other operations	1,096,717	1,622,416
	72,126,258	73,184,549
Cost of sales from main operations	60,434,700	60,322,948
Cost of sales from other operations	764,094	719,006
	61,198,794	61,041,954

(1) Revenue and cost of sales from main operations by industries

	For the period from 1 January to 30 June 2022		For the period from 1 January to 30 June 2021	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Container manufacturing business	21,601,266	17,273,338	26,543,233	20,229,963
Road transportation vehicle business	10,639,197	9,904,187	16,677,949	15,348,433
Energy, chemical and liquid food equipment business	9,337,052	7,859,648	7,920,170	6,548,333
Logistics services business	17,188,126	16,243,533	9,796,266	8,951,973
Airport, facilities, fire safety and automated logistics equipment business	2,499,476	2,015,353	2,642,371	2,086,486
Finance and asset management business	1,059,863	936,741	833,165	198,278
Offshore engineering business	2,380,238	2,224,429	2,382,685	2,242,208
Recycled load business	3,262,887	2,674,849	2,395,403	1,983,367
Others	3,061,436	1,302,622	2,370,891	2,733,907
	71,029,541	60,434,700	71,562,133	60,322,948

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(2) Revenue and cost of sales from main operations by locations

	For the period from 1 January to 30 June 2022		For the period from 1 January to 30 June 2021	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
P.R China (PRC)	63,974,489	54,286,242	67,081,185	56,495,893
Europe	1,908,778	1,945,381	2,043,980	1,920,887
America	4,850,472	3,577,229	1,757,279	1,475,225
Asia (except for PRC)	148,721	494,260	476,292	401,703
Others	147,081	131,588	203,397	29,240
	71,029,541	60,434,700	71,562,133	60,322,948

The main business's operating income and operating costs are divided according to the location of the companies that provide the service or sells the product.

(3) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June 2022		For the period from 1 January to 30 June 2021	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sale of raw materials	663,449	495,458	788,148	413,508
Rendering of services	433,268	268,636	834,268	305,498
	1,096,717	764,094	1,622,416	719,006

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(4) Revenue of the Group by categories:

	For the period from 1 January to 30 June 2022									
	Container manufacturing business	Road transportation vehicle business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport, facilities, fire safety and automated logistics equipment business	Logistics services business	Recycled load business	Finance and asset management business	Others	Total
Revenue from main operations										
Including:										
Recognized at a point in time	21,601,266	10,562,305	7,121,809	59,830	1,806,981	-	3,262,887	43,854	2,894,654	47,353,586
Recognized over time	-	76,892	2,215,243	2,320,408	692,495	17,188,126	-	1,016,009	166,782	23,675,955
Revenue from other operations (i)	213,335	425,576	176,491	46,945	79,842	19,553	118,898	7,721	8,356	1,096,717
	21,814,601	11,064,773	9,513,543	2,427,183	2,579,318	17,207,679	3,381,785	1,067,584	3,069,792	72,126,258

	For the period from 1 January to 30 June 2021									
	Container manufacturing business	Road transportation vehicle business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport, facilities, fire safety and automated logistics equipment business	Logistics services business	Recycled load business	Finance and asset management business	Others	Total
Revenue from main operations										
Including:										
Recognized at a point in time	26,543,233	16,596,474	5,873,902	21,390	2,557,982	-	2,395,403	12,705	2,370,891	56,371,980
Recognized over time	-	81,475	2,046,268	2,361,295	84,389	9,796,266	-	820,460	-	15,190,153
Revenue from other operations (i)	239,103	857,295	157,417	100,633	174,536	17,933	18,130	16,697	40,672	1,622,416
	26,782,336	17,535,244	8,077,587	2,483,318	2,816,907	9,814,199	2,413,533	849,862	2,411,563	73,184,549

- (i) Among the revenue from other operations of the Group, the revenue from material sales and sales of finance lease receivables are recognized at a certain point in time. The rental income and revenue from rendering of services are recognized over time.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Taxes and surcharges

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021	Standard
City maintenance and construction tax	69,400	79,997	7% of VAT paid
Educational sur-charge	56,661	62,312	3% – 5% of VAT paid
Tenure tax	46,016	48,267	Actual using area of land and unit tax
Land appreciation tax	8,674	95	Appreciation amount in transferring property and applicable tax rate
Housing property tax	44,811	43,649	Real estate surplus or property rental income and applicable tax rate
Stamp Duty	31,415	27,772	Amount or number of taxable voucher and applicable tax rate or unit tax
Others	5,511	3,381	
	262,488	265,473	

52. Selling and distribution expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Right of use assets depreciation	4,350	6,062
Employ benefits	690,745	580,741
Selling operation	103,813	166,000
Warranty fees	89,431	100,564
External sales commission	104,531	44,656
Advertising	8,711	18,086
Product maintenance fee	7,449	23,556
Agency	22,607	27,320
Storage	16,746	20,752
Transportation and distribution expenses	11,712	2,916
Others	121,154	84,125
	1,181,249	1,074,778

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. General and administrative expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Employ fees	2,118,195	1,867,468
Agency fees	120,954	129,480
Amortisation	98,749	120,060
Depreciation	110,424	119,319
Entertainment fee	61,862	65,424
Travel expenses	23,908	30,857
Rental	58,430	63,753
Low-value consumables and materials consumed	36,034	37,810
Taxes and surcharges	11,672	37,764
Share-based payment expenses	73,889	11,984
Right of use assets depreciation	32,920	30,493
Insurance, external repairing expenses and others	638,322	297,042
	3,385,359	2,811,454

54. Research and development expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Direct material consumption	454,726	405,555
Research and development labor costs	440,168	348,564
Depreciation and amortisation	65,644	68,497
Testing fee	29,856	49,579
Design fee	12,167	31,408
Right of use assets depreciation	236	212
Others	40,898	31,531
	1,043,695	935,346

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Financial expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Interest expenses	549,111	735,867
Add: interest expense on lease liabilities	18,626	11,811
Less: capitalised interest expense	(5,524)	(31,556)
Sub-total	562,213	716,122
Less: interest income from bank deposits	(150,111)	(139,818)
Exchange gains and losses	(599,282)	148,038
Others	71,667	102,061
	(115,513)	826,403

56. Expenses by nature

Costs of sales, selling and distribution expenses, general administrative expenses and research and development expenses in income statement presented by nature are analysed as follows:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Finished goods and work-in-progress movement	688,611	(1,807,418)
Consumption of raw materials and low-valued consumables, etc	38,663,146	48,560,071
Salary and wages	5,929,354	5,852,611
Depreciation and amortisation	1,718,638	1,458,555
Right of use assets depreciation	143,199	141,269
Rental	102,675	42,651
Shipping and handling charges	16,578,721	8,562,806
Selling operation expenses	103,813	166,000
Power expenses	328,911	457,007
Processing and repairing expenses	622,498	736,089
Other expenses-other research and development expenses	526,578	112,129
Other expenses-other manufacturing expenses	436,963	291,250
Other expenses-other selling and distribution expenses	391,741	275,679
Other expenses-other general and administrative expenses	574,250	1,014,834
	66,809,098	65,863,533

As mentioned in Note II. 27, for short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group may include the lease payment in the profit or loss for the current period. For the period from 1 January to 30 June 2022, the amount is RMB102,675,000 (For the period from 1 January to 30 June 2021, RMB42,651,000).

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For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Fair value (losses)/gains

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Financial assets at fair value through profit or loss		
– Equity instruments held for trading	(1,496)	78,430
Debt instruments held for trading	–	53
Investment properties at fair value	3,216	–
Financial liabilities at fair value through profit or loss		
– Contingent consideration	(25,516)	–
Derivative financial instruments	(887,456)	(204,397)
	(911,252)	(125,914)

58. Investment income

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Income from disposal of financial assets/liabilities held for trading	18,359	20,590
Dividend income from investments in other equity instruments	60,935	40,416
Income from disposal of derivative financial instruments	293,785	700,790
Loss from long-term equity investments under equity method	(33,580)	(97,261)
(Losses)/income from disposal of long-term equity investment	(212,199)	12,625
Income recognized upon the remeasurement of fair value of the acquiree's equity held before the purchase date	36,740	–
Others	6,052	4,753
	170,092	681,913

59. Gains on disposals of assets

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021	Amount recognized in non-recurring profit or loss for the period from 1 January to 30 June 2022
(Losses)/gains on disposals of fixed asset	(6,229)	116,521	(6,229)
Gains on disposals of intangible assets	–	4,007	–
Gains on disposals of right-of-use assets	9,236	–	9,236
	3,007	120,528	3,007

Notes to the Financial Statements

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Other income

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021	Asset related/ Income related
Financial subsidies	156,468	183,821	Asset related/ income related
Tax refund	27,539	41,842	Income related
Others	16,569	26,186	Income related
	200,576	251,849	

61. Asset impairment losses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Construction in progress	2,179	–
Contract asset	(3,983)	5,469
Inventories and costs incurred to fulfill a contract	11,005	46,200
Goodwill	30,620	–
Fixed asset	23	59,420
Intangible assets	5,959	–
	45,803	111,089

62. Credit losses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Long-term receivables (including current portion of non-current assets) bad debt (reversal)/loss	(19)	56,130
Notes receivables bad debt (reversal)/loss	(799)	(6,392)
Receivables financing bad debt (reversal)/loss	(586)	677
Bad debt loss of accounts receivable	139,042	89,444
Other receivables bad debt loss	8,355	9,635
Financial guarantee (reversal)/loss for vehicle loans	(12,708)	7,559
	133,285	157,053

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Non-operating income

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021	Amount recognized in non-recurring profit or loss during the period from 1 January to 30 June 2022
Compensation income	11,140	20,885	11,140
Unpayable payables	40,090	11,483	40,090
Penalty income	9,301	7,169	9,301
Gained by donation	–	182	–
Others	20,189	17,044	20,189
	80,720	56,763	80,720

64. Non-operating expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021	Amount recognized in non-recurring profit or loss during the period from 1 January to 30 June 2022
Losses of disposals of fixed asset	11,819	65,129	11,819
Compensation expenses	13,602	10,627	13,602
Abnormal losses	278	2,295	278
Penalty expenses	3,279	1,236	3,279
Donations	416	105	416
Others	6,747	7,533	6,747
	36,141	86,925	36,141

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Income tax expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Current income tax calculated based on tax law and related regulations	1,327,867	1,651,583
Deferred income tax	(63,855)	162,134
Total	1,264,012	1,813,717

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

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Profit before tax	4,498,100	6,859,213
Income tax calculated at applicable tax rates (25%)	1,124,525	1,714,803
Effect of using different tax rates for subsidiaries	206,513	(24,263)
Effect of tax incentive	(69,404)	(61,908)
Cost, expenses and losses not deductible	49,909	123,177
Other income not subject to tax	(91,001)	(82,461)
Deductible losses in previously unrecognized deferred income	(32,388)	(39,306)
Deductible losses in unrecognized deferred income tax assets	144,119	230,626
Deductible temporary differences in unrecognized deferred tax asset	21,539	27,183
Deductible temporary differences for which no deferred tax asset was recognized in previous years	(82,492)	(50,742)
Effect of tax rate change on deferred tax	15	3,681
Tax refund for income tax annual filing	(7,323)	(27,073)
Income tax expenses	1,264,012	1,813,717

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Calculation of basic earnings per share and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding of the Company:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	2,538,512	4,297,459
Less: Equity attributable to holders of other equity instruments	(23,335)	(101,014)
Consolidated net profit attributable to ordinary shareholders of the Company	2,515,177	4,196,445
Weighted-average number of ordinary shares outstanding ('000)	3,595,014	3,595,014
Basic earnings per share (RMB/share)	0.6996	1.1673
Including: Going concern basic earnings per share	0.7225	1.1363
Termination concern basic earnings per share	(0.0229)	0.0310

(2) Diluted earnings per share

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

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	2,538,512	4,297,459
Influence of the issuing of the perpetual bonds by the Company	(23,335)	(101,014)
Influence of share option program by subsidiaries	(37,017)	(1,234)
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company	2,478,160	4,195,211
Weighted-average number of ordinary shares outstanding (diluted) ('000) (adjusted)	3,595,014	3,595,014
Diluted earnings per share (RMB/share)	0.6893	1.1670

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Calculation of basic earnings per share and diluted earnings per share (Continued)

(2) Diluted earnings per share (Continued)

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

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Weighted-average number of ordinary shares outstanding ('000)	3,595,014	3,595,014
Effect of share options ('000)	–	–
Weighted-average number of ordinary shares outstanding (diluted) ('000)	3,595,014	3,595,014

67. Notes to cash flow statement

(1) Cash received related to other operating activities

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash received from government grants related to assets	87,796	60,310
Cash received from government grants related to income	156,468	183,821
Relocation compensation received	–	3,504,573
Cash received from compensation income	11,140	20,885
Cash received from penalty income	9,301	7,169
Others	1,323,198	373,958
Total	1,587,903	4,150,716

(2) Cash paid related to other operating activities

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash paid for rental, insurance and other miscellaneous expenses related to sales	143,761	111,445
Cash paid for research expenses	537,647	518,073
Cash paid for warranty	102,280	78,884
Cash paid for sales expenses	103,813	166,000
Others	1,001,507	1,368,071
Total	1,889,008	2,242,473

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Notes to cash flow statement (Continued)

(3) Cash received related to other investing activities

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash paid for disposing the subsidiary during the current period less than the amount of cash held by the subsidiary	10,926	–
Cash received from option of subsidiary	495	–
Total	11,421	–

(4) Cash paid related to other investing activities

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
IRS interest fee	5,901	–
Return of shareholder's security fund	–	1,000
Cash received for disposing the subsidiary during the current period less than the amount of cash held by the subsidiary	616,610	–
Total	622,511	1,000

(5) Cash received related to other financing activities

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash received from share option exercised by minority	5,130	22,933
Others	156,394	270,348
Total	161,524	293,281

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Notes to cash flow statement (Continued)

(6) Cash paid related to other financing activities

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash paid for underwriting, registration, establishment and financing fee	64,866	41,509
Cash paid to minority shareholders	–	270,000
Cash paid for lease liabilities	44,642	47,569
Others	403,817	8,919
Total	513,325	367,997

For the period from 1 January to 30 Jun in 2022, Cash paid for lease related activities was RMB153,242,000 (For the period from 1 January to 30 Jun in 2021: RMB90,220,000). Except for cash paid for leasing liabilities as above, the rest of lease's cash paid out was operating activity related.

68. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

Reconciliation from net profits to cash flows from operating activities:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Net Profit	3,234,088	5,045,496
Add: impairment loss for assets	45,803	111,089
impairment loss for credit	133,285	157,053
depreciation of fixed asset	1,383,505	1,148,776
amortization of intangible assets	201,776	202,036
amortization of long-term prepaid expenses	133,357	107,743
depreciation of right-of-use assets	143,199	141,269
losses/(gains) on disposal of fixed asset, intangible assets and other long-term assets	8,812	(55,399)
losses on changes in fair value	1,162,947	125,914
financial expense	393,476	564,493
investment (income)/losses	(170,092)	(681,913)
share-based payment expenses	73,889	11,984
(increase)/decrease in deferred tax assets	(144,055)	169,328
(decrease)/increase in deferred tax liabilities	(80,200)	7,194
increase in inventories	(520,554)	(4,460,000)
increase in operating receivables	(4,356,430)	(4,735,595)
increase in operating payables	1,992,584	8,401,591
Net cash flows from operating activities	3,635,390	6,261,059

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Information to cash flow statement (Continued)

(1) Supplementary information to the consolidated cash flow statement (Continued)

Net increase in cash and cash equivalents:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash and cash equivalents at the end of the period	22,327,791	12,437,334
Less: cash and cash equivalents at the beginning of the year	16,529,988	11,210,240
Net increase in cash and cash equivalents	5,797,803	1,227,094

(2) Cash and cash equivalents

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
I. Cash		
Including: cash on hand	10,087	6,025
cash at bank that can be readily drawn on demand	20,272,124	11,866,309
other monetary fund that can be readily drawn on demand	642,580	-
II. Redemptory monetary capital for sale and withdrawal of funds by Finance Company	1,403,000	565,000
III. Cash and cash equivalents at the end of the period	22,327,791	12,437,334

Note: Aforesaid "Cash and cash equivalents" excluded restricted cash.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Monetary items dominated in foreign currency

	30 June 2022		
	Functional currency ('000)	Exchange Rate	In RMB ('000)
Monetary fund –			
USD	757,907	6.7114	5,086,615
EUR	149,254	7.0084	1,046,030
HKD	677,661	0.8552	579,536
THB	324,643	0.1906	61,877
GBP	32,801	8.1365	266,889
AUD	8,957	4.6145	41,334
JPY	528,921	0.0491	25,970
Others			178,153
			7,286,404
Accounts receivables –			
USD	2,261,484	6.7114	15,177,725
EUR	75,278	7.0084	527,576
GBP	38,879	8.1365	316,337
JPY	718,635	0.0491	35,285
HKD	92,665	0.8552	79,247
AUD	6,116	4.6145	28,223
THB	989,921	0.1906	188,679
Others			547,145
			16,900,217
Other receivables –			
USD	105,137	6.7114	705,618
HKD	255,875	0.8552	218,824
EUR	43,033	7.0084	301,592
GBP	18,829	8.1365	153,204
THB	277,817	0.1906	52,952
AUD	24,438	4.6145	112,767
Others			848,306
			2,393,263
Long-term receivables –			
AUD	3,730	0.8552	3,190
Others			524
			3,714

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Monetary items dominated in foreign currency (Continued)

	30 June 2022		
	Functional currency (‘000)	Exchange Rate	In RMB (‘000)
Short-term borrowings –			
USD	804,937	6.7114	5,402,252
EUR	24,306	7.0084	170,344
HKD	30,049	0.8552	25,698
GBP	11,284	8.1365	91,810
Others			63,028
			5,753,132
Accounts payables –			
USD	653,079	6.7114	4,383,074
EUR	52,396	7.0084	367,214
GBP	55,131	8.1365	448,573
AUD	13,239	4.6145	61,091
HKD	43,205	0.8552	36,949
THB	561,118	0.1906	106,949
JPY	1,890	0.6660	1,259
			5,405,109
Other payables –			
USD	104,146	6.7114	698,968
EUR	45,511	7.0084	318,957
GBP	21,850	8.1365	177,779
AUD	35,599	4.6145	164,270
HKD	106,644	0.8552	91,202
THB	205,160	0.1906	39,104
JPY	989	0.6660	659
Others			710,268
			2,201,207

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Monetary items dominated in foreign currency (Continued)

	30 June 2022		
	Functional currency ('000)	Exchange Rate	In RMB ('000)
Long-term borrowings –			
USD	2,317,479	6.7114	15,553,527
EUR	98,721	4.6145	455,546
HKD	212,677	0.8552	181,881
			16,190,954
Lease liabilities –			
USD	36,536	6.7114	245,204
EUR	9,902	7.0084	69,394
GBP	4,540	8.1365	36,939
HKD	3,877	0.8552	3,316
AUD	3,596	4.6145	16,595
Others			60,968
			432,416

The above-mentioned monetary items dominated in foreign currency refer to all currencies except RMB (The scope is different from the foreign currency items in Note XV. 1(1)).

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprise not under common control

There is no significant business combinations involving enterprise not under common control in the period.

2. Disposal of subsidiaries

On 23 November 2021, the Company signed the Equity Transfer Agreement with Shenzhen Capital Group, Shenzhen City Energy Group and CIMC Financial Leasing, a subsidiary of the Group. On the same day, the Company and CIMC HK signed the Capital Increase Agreement with Shenzhen Capital Group, Tianjin Kairuikang and CIMC Financial Leasing. The Equity Transfer Agreement and the Capital Increase Agreement jointly provided that Shenzhen Capital Group, Shenzhen City Energy Group and Tianjin Kairuikang, as strategic investors, acquired shares in CIMC Financial Leasing through transfer of original shares and capital increase. Upon completion of the transaction, the registered capital of CIMC Financial Leasing will be increased from RMB1,428,652,000.00 to RMB1,481,376,856.83, which will be owned as to 53.3185% collectively by Shenzhen Capital Group and Shenzhen City Energy Group and 1.2497% by Tianjin Kairuikang, and the proportion of equity interest collectively held by the Company and CIMC HK in CIMC Financial Leasing will be decreased to 45.4318%.

As at the end of May 2022, CIMC Financial Leasing had completed its change in commercial registration and the transaction was completed. Upon completion of the transaction, CIMC Financial Leasing Company was no longer consolidated into the consolidated statements of the Group and became an associate of the Group.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group were obtained through establishment, investment or through business combination not under common control. There was no acquisition of subsidiaries through combination under common control.

As at 30 June 2022, the number of companies included in the scope of consolidation added up to 635. Except for the important subsidiaries listed below, the number of other subsidiaries held by the Group was 514. Other subsidiaries mainly included those have relatively small scale of operation. Other subsidiaries also included those investment holding companies registered in Hong Kong, British Virgin Islands or other overseas countries with the purpose of shareholding and without any other operating activities.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(1) Domestic subsidiaries

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. ("Southern CIMC")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture, repair and sale of container, container stockpiling business	RMB260,580,000	100.00%	-
2	Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("SCIMCEL")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and repair of container, design and manufacture of new-style special machinery equipment for road and port	USD80,000,000	-	100.00%
3	Xinhui CIMC Container Co., Ltd. ("XHCIMC")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Manufacture, repair and sale of containers	USD24,000,000	-	90.00%
4	Nantong CIMC Shunda Containers Co., Ltd. ("NTCIMC")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture, repair and sale of containers	USD9,060,000	-	60.35%
5	Dalian CIMC Logistics Equipment Co., Ltd. ("DLCIMC")	Business entity	Dalian Liaoning	Dalian Liaoning	Manufacture and sale of containers as well as relevant technical advisory; container stockpiling business	RMB254,100,000	-	50.50%
6	Shenzhen CIMC - TianDa Airport Support Co., Ltd. ("TianDa Airport")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sales of airport and port electromechanical products, automatic logistics storage system and equipment	USD13,500,000	-	58.33%
7	Ningbo CIMC Logistics Equipment Co., Ltd. ("NBCIMC")	Business entity	Ningbo Zhejiang	Ningbo Zhejiang	Manufacture and sales of containers and related technological consultancy; container stockpiling business	USD36,000,000	-	100.00%
8	Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Manufacture and repair of containers	USD31,000,000	-	100.00%
9	Yangzhou Runyang Logistics Equipment Co., Ltd. ("YZRYL")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, repair and sales of containers	RMB143,880,000	-	75.00%
10	Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("SHYSLE")	Business entity	Shanghai	Shanghai	Manufacture and sale of containers as well as relevant technical advisory	USD29,480,000	-	100.00%

Notes to the Financial Statements

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
11	Tianjin CIMC Containers Co., Ltd. ("TJCC")	Business entity	Tianjing	Tianjing	Manufacture of containers	USD50,000,000	-	100.00%
12	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture, sale and repair of various trough, tank as well as various special storing and transporting equipments and parts	USD11,760,000	-	60.35%
13	Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Manufacture and sale of various containers, semi-finished container product, lease and repair of relevant components product	USD425,490,000	-	100.00%
14	CIMC Cold Cloud (Beijing) Technology Co., Ltd. ("Cold Cloud (Beijing)")	Business entity	Beijing	Beijing	Technology development, business management consulting, import and export of goods, chemical products wholesale	RMB12,240,000	-	56.29%
15	Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("DLEM")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Manufacture and sale of various containers, semi-finished container product	RMB600,000,000	-	100.00%
16	Shanghai CIMC Vehicle Logistics Equipment Co., Ltd ("Equipment Park")	Business entity	Shanghai	Shanghai	Operation of storage and supporting facilities, property management and related services	RMB90,200,000	-	55.48%
17	Shenzhen CIMC Haigong Investment Co., Ltd ("Haigong Investment")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Management, operation and maintenance of marine engineering equipment and ship management	RMB1,900,000,000	-	100.00%
18	Shenzhen Qianhai Ruiji Technology Co., Ltd. ("Qianhai Ruiji Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Technology development and technology consultation in machinery equipment, sales	RMB8,000,000	-	70.00%
19	Shenzhen Zhongji new material technology development Co., Ltd. ("Shenzhen new material")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and sale of wood container floor and its relevant products and relevant services	RMB30,000,000	-	75.80%

Notes to the Financial Statements

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
20	CIMC Security Technology Co., Ltd. ("CIMC Security")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Research, production and marketing of fire related products	RMB100,000,000	-	65.02%
21	Qingdao CIMC Composite Co., Ltd. ("QCCC")	Business entity	Qingdao Shandong	Qingdao Shandong	Development, manufacture, sale, handling and detect of thermoplastic composites	RMB70,000,000	-	80.00%
22	CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. ("XASV")*	Business entity	Xi'an Shanxi	Xi'an Shanxi	Development and production of special-use vehicles as well as components and parts	RMB50,000,000	-	41.60%
23	Wuhu CIMC Ruijiang Automobile Marketing Service Co., Ltd. ("CIMC Ruijiang")*	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy trucks, sale of used cars, technological research and development in special-use vehicles	RMB5,000,000	-	40.10%
24	Shenzhen CIMC Sharing Logistics Service Co., Ltd ("Sharing Logistics")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Logistics management services, Cloud sharing services	RMB5,000,000	-	70.00%
25	CIMC vehicle (Jiangmen) Co., Ltd. ("Jiangmen Vehicle")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	RMB141,220,000	-	42.51%
26	Guangzhou CIMC Container Maintenance Service Co., Ltd. ("Guangzhou Service")	Business entity	Guangzhou Guangdong	Guangzhou Guangdong	Maintenance and leasing of containers, maintenance of electrical equipments	RMB10,000,000	-	37.62%
27	CIMC Building Technology Co. Ltd. ("CIMC Building Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Industrial investment, project investment, management consultancy	USD1,500,000,000	-	100.00%
28	Zhangzhou CIMC Containers Co., Ltd. ("Zhangzhou CIMC")	Business entity	Zhangzhou Fujian	Zhangzhou Fujian	Manufacture, repair and sale of Containers	USD23,000,000	-	100.00%
29	Zhumadian CIMC Huajun Vehicle Co., Ltd. ("Huajun Vehicle")	Business entity	Zhumadian Henan	Zhumadian Henan	Special purpose vehicle modification, trailer and accessories, R&D and manufacturing of box type freight cars	RMB205,340,000	-	55.50%

Notes to the Financial Statements

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
30	Nantong CIMC Special Logistics Equipment Development Co. Ltd. ("NTSL")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture and sale of containers as well as relevant technical advisory	RMB5,000,000	-	60.35%
31	Hunan CIMC New Material Technology Co., Ltd. ("Hunan Woods")	Business entity	Shaoyang Hunan	Shaoyang Hunan	Manufacturing and sale of bamboo and wood product	RMB28,000,000	-	75.80%
32	Shenzhen jijiameyu Apartment Management Co., Ltd ("Jijiameyu")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Apartment leasing and management, provide operation service for apartment and hotel	RMB3,000,000	-	100.00%
33	Jiaxing CIMC Wood Co., Ltd. ("JXW")	Business entity	Jiaxing Zhejiang	Jiaxing Zhejiang	Production and sales of container wood floors, and transport equipments	USD5,000,000	-	81.85%
34	CIMC Cold Chain Development Co., Ltd. ("CIMC Cold Chain Development")	Business entity	Qingdao Shandong	Qingdao Shandong	R&D and Manufacture of cold chain equipment, lease of general machinery and equipment, international freight forwarder	RMB70,000,000	-	70.00%
35	CIMC Commercial Factoring Co., Ltd ("CIMC Factoring")	Business entity	Tianjin	Tianjin	Credit investigation and evaluation on trade financing customers	RMB85,310,000	-	87.91%
36	Shenzhen intelligent Ocean Engineering Innovation Center Co., Ltd ("Shenzhen intelligent Ocean")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Marine engineering equipment manufacturing	RMB44,500,000	-	76.40%
37	CIMC Shenfa Development Co., Ltd. ("CIMC Shenfa")	Business entity	Shanghai	Shanghai	Investment, construction and operation for infrastructure; real estate development and operation	RMB204,120,000	100.00%	-
38	Shenzhen CIMC Auto parking System Co., Ltd ("CIMC Parking")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Autoparking system and equipment, sale of products, provision of technical services	RMB30,000,000	-	63.00%
39	CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various special vehicles and trailer series	RMB2,017,600,000	36.10%	19.67%
40	Xuzhou CIMC Wood Co., Ltd. ("Xuzhou CIMC Wood")	Business entity	Xuzhou Jiangsu	Xuzhou Jiangsu	R&D and sales of new environmentally friendly materials	RMB15,000,000	-	75.80%

Notes to the Financial Statements

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
41	Chuzhou CIMC Wood Co., Ltd. ("Chuzhou CIMC Wood")	Business entity	Chuzhou Anhui	Chuzhou Anhui	Manufacture and sales of container wood floor	RMB40,000,000	-	75.80%
42	CIMC IOT Technology Co., Ltd. ("CIMC IOT")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sales of agricultural, forestry, animal husbandry and fishery machinery	RMB150,000,000	-	90.00%
43	Qingdao CIMC Reefer Trailer Co., Ltd. ("Qingdao CIMC Reefer Trailer")	Business entity	Qingdao Shandong	Qingdao Shandong	Production and sales of various types of reefer, heat preservation and other transportation equipment and related spare parts, production and sales of environmental protection equipment and other transportation equipment	USD29,400,000	-	55.50%
44	Shanghai CIMC Ruiji Technology Co., Ltd ("Shanghai Ruiji")	Business entity	Shanghai	Shanghai	Technology development of mechanical equipment	RMB20,000,000	-	70.00%
45	Zhengzhou Jinte logistics automation system Co., Ltd. ("Zhengzhou Jinte")	Business entity	Zhengzhou Henan	Zhengzhou Henan	Develop, research and sell logistics automation equipment	RMB20,000,000	-	58.09%
46	CIMC Yiketong Parts Co., Ltd. ("Yiketong")	Business entity	Shanghai	Shanghai	Trading of containers parts	RMB100,000,000	-	76.00%
47	Taicang CIMC Reefer logistics Equipment Co., Ltd. ("TCCRC")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Research and development, production and sale of reefer containers and special containers	RMB450,000,000	-	100.00%
48	Jiangmen CIMC Vehicles Terabyte Car Compartment Manufacturing Co., Ltd. ("Jiangmen Terabyte")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production and sales of new intelligent logistics machinery and equipment, special vehicles, semi-trailers	RMB300,000,000	-	55.50%
49	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd. ("QHDV")*	Business entity	Qinhuangdao Hebei	Qinhuangdao Hebei	Sale of car and car components and parts	RMB70,000,000	-	41.62%
50	Shenzhen Qianhai Tongchuang Innovation Metal Material Co., Ltd. ("Qianhai Tongchuang")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Research and development of new metal material technology, technical advisory services and sales of products	RMB10,000,000	-	85.56%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
51	Shenzhen CIMC Architectural Design Institute Co., Ltd ("Shenzhen Architectural Design")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Modular architecture design and construction	RMB100,000,000	-	95.00%
52	CIMC New Environmental Protection Material Co., Ltd ("CIMC Xincai")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of various modern transportation equipment	RMB130,170,000	-	75.80%
53	CIMC Tongchuang Pujiang (Shanghai) Trading Co., Ltd ("Tongchuang Pujiang")	Business entity	Shanghai	Shanghai	Sales of steel and metal materials, metal products, metallurgical furnace charge	RMB50,000,000	-	85.56%
54	CIMC Finance Company Co., Ltd ("Finance Company")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Engage in the business in functional and foreign currency of the members of the Group	RMB920,000,000	78.91%	21.09%
55	CIMC Transportation Technology Co., Ltd ("Transportation Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Leasing and maintenance of logistics equipment and related accessories	RMB1,196,390,000	67.33%	-
56	CIMC Tongchuang Intelligent Clothing Protection Technology (Zhejiang) Co., Ltd. ("Zhejiang Tongchuang")	Business entity	Ningbo Zhejiang	Ningbo Zhejiang	Production of gas mask and other plastic productions	RMB10,000,000	-	85.56%
57	CIMC Container Holding Co., Ltd. ("Container Holding")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment and management and related investment business	RMB5,292,830,000	100.00%	-
58	CIMC Tongchuang Changjiang (Zhoushan) Trading Co., Ltd. ("Zhoushan Tongchuang")*	Business entity	Zhoushan Zhejiang	Zhoushan Zhejiang	Sales of metal materials and machined parts	RMB50,000,000	-	51.33%
59	Yantai CIMC Blue Ocean Technology Co., Ltd ("Yantai Blue Ocean")	Business entity	Yantai Shandong	Yantai Shandong	Marine fishery culture, development, design and consulting services of fishery equipment and sale of fishery related equipment	RMB57,470,000	-	68.32%
60	Yantai Tiezhongbao Steel Processing Co., Ltd ("Yantai Tiezhongbao")	Business entity	Yantai Shandong	Yantai Shandong	R&D and processing the leg structure; sales of products	USD9,150,000	-	55.61%
61	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Sales and production of various special-use vehicles and sales of engineering machinery	RMB158,000,000	-	70.06%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
62	Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB380,270,000	-	55.50%
63	CIMC Wetrans Logistics Technology (Group) Co., Ltd. ("CIMC Wetrans")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB1,088,190,000	62.70%	-
64	Shenzhen Sanhua Zhuoyue Investment Co., Ltd. ("Sanhua Zhuoyue")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB30,000,000	-	70.06%
65	Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. ("CIMC Tongchuang")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB360,210,000	-	85.56%
66	Shenzhen CIMC Cold Chain Technology Co., Ltd. ("Cold Chain Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Cold chain equipment design, R&D, sales, leasing, logistics services and technical consultation	RMB20,000,000	-	51.00%
67	Shenzhen CIMC Special Vehicle Co., Ltd. ("CIMCSV")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various transportation vehicles, as well as relevant components and parts	RMB450,000,000	-	55.50%
68	CIMC Kaitong Logistics Development Co. Ltd. ("CIMC Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB150,000,000	-	42.01%
69	Jiangsu Kaitong Shipping Co. Ltd. ("Jiangsu Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	42.01%
70	CIMC Jixin Logistics development Co. Ltd ("CIMC Jixin")	Business entity	Shanghai	Shanghai	Logistic service	RMB100,000,000	-	62.70%
71	CIMC Kaitong Jiangsu International Multimodal Transport Co., Ltd ("Kaitong Jiangsu International")*	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	27.31%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(2) Overseas subsidiaries

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
72	CIMC Vehicle Europe Coöperatief U.A. ("Vehicle Europe Coöperatief U.A.")	Business entity	Netherlands	Netherlands	Sales of Vehicle	USD50,000	-	55.50%
73	Mangrove Capital Global Limited ("Mangrove Capital")	Business entity	Hong Kong China	Hong Kong China	Financial Services	HKD320,000	-	100.00%
74	CIMC Holdings (B.V.I.) Limited ("CIMC BVI")	Business entity	B.V.I	B.V.I	Investment holding	USD500,000,000	-	100.00%
75	CIMC Vehicle Investment Holdings Co., Ltd. ("CIMC Vehicle BVI")	Business entity	B.V.I	B.V.I	Investment holding	USD1	-	55.48%
76	Charm Wise Limited ("Charm Wise")	Business entity	Hong Kong China	Hong Kong China	Investment holding	USD50,000	-	100.00%
77	CIMC Air Marrel SAS ("Air Marrel")	Business entity	France	France	Aviation equipment	EUR1,200,000	-	58.33%
78	China International Marine Containers (Hong Kong) Limited ("CIMC Hong Kong")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD2,000,000	100.00%	-
79	Verbus International Limited ("Verbus")	Business entity	UK	UK	Holding company	GBP1,108	-	100.00%
80	CIMC Offshore Holdings Limited ("CIMC Offshore")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD2,234,855,000 & USD50,510,000	-	85.00%
81	Hong Kong CIMC Tianda Airport Support Ltd. ("TAS Hong Kong")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD1,000,000	-	58.33%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(2) Overseas subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
82	Effective Time Investments Limited ("EFFECTIVE TIME")	Business entity	B.V.I	B.V.I	Investment holding	USD1	-	100.00%
83	CIMC Vehicles (Bahrain) Factory WLL ("Bahrain CIMC")	Business entity	Bahrain	Bahrain	Vehicle equipment services	KWD565,000	-	38.85%
84	CIMC MBS Hong Kong Limited ("MBS (HK)")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD50,000	-	100.00%
85	CIMC FORTUNE HOLDINGS LIMITED ("Fortune")	Business entity	Hong Kong China	Hong Kong China	Financial Services	USD10,000,000	100.00%	-
86	Vanguard National Trailer Corporation ("Vanguard")	Business entity	USA	USA	Sales of Vehicles	USD10	-	55.50%
87	CIMC TGE GAS INVESTMENT SA ("TGE SA")	Business entity	Luxembourg	Luxembourg	Investment holding	EUR50,000	-	60.00%
88	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transport equipment	GBP100	-	55.50%
89	Bassoe Technology AB ("Bassoe")	Business entity	Switzerland	Switzerland	Ship design	SEK100	-	100%

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For the period from 1 January 2022 to 30 June 2022
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through combination under common control

(3) Subsidiaries acquired through combinations under non-common control

(1) Domestic subsidiaries

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
1	Luoyang CIMC Linyu Automobile Co., Ltd. ("CIMC Linyu")*	Business entity	Luoyang Henan	Luoyang Henan	Production and sales of passenger car, tank car; machining; operation of import and export business	RMB122,745,700	-	39.66%
2	Wuhu CIMC Ruijiang Automobile Co., Ltd. ("Wuhu Ruijiang")*	Business entity	Wuhu Anhui	Wuhu Anhui	Development, production and sales of various special vehicles, ordinary mechanical products and metal structure parts	RMB308,180,000	-	40.10%
3	Liangshan CIMC Dongyue Vehicles Co., Ltd. (LSDYV)*	Business entity	Liangshan Shandong	Liangshan Shandong	Production and sales of mixing truck, special vehicle and components and parts	RMB90,000,000	-	38.90%
4	Qingdao CIMC Container Manufacture Co., Ltd. ("QDCC")*	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and repair of container, processing and manufacture of various mechanical parts, structures and equipment	USD27,840,000	-	100.00%
5	Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and sale of refrigeration and heat preservation device including reefer container, refrigerator car and heat preservation car; providing relevant service	USD86,846,680	-	100.00%
6	Shanghai CIMC Baowell Industries Co. Ltd. ("SBWI")	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as providing relevant technical consultancy	USD28,500,000	-	94.74%
7	CIMC Vehicles Shandong Co. Ltd. ("SD Vehicles")	Business entity	Zhangqiu Shandong	Zhangqiu Shandong	Development and manufacture of special cars and other series of products	USD18,930,100	-	48.29%
8	Qingdao Ledar Chemical Co., Ltd. ("Ledar Chemical")	Business entity	Shandong	Shandong	Manufacture and sale of sealant products; production and sales of rubber parts, plastic parts and waterborne coatings	RMB30,000,000	-	53.06%
9	Qingdao CIMC New Material Co., Ltd ("Qingdao Xincai")	Business entity	Shandong	Shandong	Manufacture and sale of plastic and rubber parts, and metal construction, development of container parts	RMB6,000,000	-	69.82%
10	Pteris Global Ltd ("Pteris")	Business entity	Singapore	Singapore	Investment holding	SGD104,781,000	-	58.33%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
11	Donghua Container Transportation Service Co., Ltd. ("DHCTS")	Business entity	Shanghai	Shanghai	Container cargo devanning, vanning; canvass for cargo; allotment and customs declaration; container maintenance and stockpiling	USD4,500,000	-	43.89%
12	Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture and sale of reefer container and special container; providing relevant technical advisory and maintenance service	RMB236,920,000	-	75.00%
13	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Business entity	Tianjin	Tianjin	Container and cargo distribution, freight and repair work for Tianjin Port	USD51,960,000	-	62.70%
14	CIMC-TianDa Holding Company Limited ("CIMC-TianDa Holding")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD166,380,461	-	58.33%
15	Tianjin Zhenhua International Logistics Co. Ltd. ("Zhenhua IL")	Business entity	Tianjin	Tianjin	Non-vessel carrier, freight agent	RMB133,970,000	-	62.70%
16	Brigantine Services (Shenzhen) Co., Ltd. ("Shenzhen Brigantine")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Provides a container and ship repair services and related technical advisory service	HKD7,500,000	-	43.89%
17	Brigantine Services (Shanghai) Co., Ltd. ("Shanghai Brigantine")	Business entity	Shanghai	Shanghai	Container ship and its parts, mechanical repair, maintenance services	USD510,000	-	43.89%
18	C&C Trucks Marketing Service Co., Ltd. ("C&C Marketing Service")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of special-use vehicles for heavy truck, engineering machinery, automobile chassis engine and relevant components and parts	RMB500,000,000	-	70.06%
19	Jiajing Technology Co., Ltd. ("Jiajing Technology")	Business entity	Wuhu Anhui	Wuhu Anhui	Industrial design and new technology development mainly about automobile and its accessories	RMB10,000,000	-	70.06%
20	Yantai CIMC Raffles offshore Ltd. ("CIMC Raffles")	Business entity	Yantai Shandong	Yantai Shandong	Construction of dock; designation, production of ship; production of equipment of pressure vessels and offshore oil engineering facilities	RMB7,482,070,000	-	79.61%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(1) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
21	C&C Trucks Co., Ltd. ("C&C Trucks")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of special-use vehicles for heavy truck, engineering machinery	RMB1,570,000,000	70.06%	-
22	Anhui FeiCai (Group) Co., Ltd. ("Anhui FeiCai (Group)")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Manufacture and sale of agricultural vehicles, agricultural machinery and relevant accessories	RMB158,000,000	-	70.06%
23	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("YZTH")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB434,300,800	-	55.50%
24	Yangzhou Taili Special Equipment Co., Ltd. ("Yangzhou Taili")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, fix and sale of containers	RMB70,000,000	-	100.00%
25	CIMC Enric Holdings Limited ("CIMC Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	-	67.59%
26	CIMC ADS International Logistics Co., Ltd. ("ADS Logistics")	Business entity	Shenzhen	Shenzhen	International and domestic freight forwarder	RMB80,000,000	-	37.62%
27	CIMC Global Success Logistics Co., Ltd. ("Global Success Logistics")*	Business entity	Shenzhen	Shenzhen	International and domestic freight forwarder	RMB65,000,000	-	62.70%
28	Senju (Jiangmen) Technology Materials Co., Ltd. ("Jiangmen Senju")	Business entity	Jiangmen	Jiangmen	R&D, manufacturing and sales of environmentally friendly composite materials, metal layered composite materials	RMB66,980,000	-	52.90%

Notes to the Financial Statements

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(2) Overseas subsidiaries

	Name	Category	Registration place	Main premises	Business nature and operating scope	Registered capital	Shareholding percentage	
							Direct	Indirect
29	Brigantine International Holdings Limited ("Brigantine International Holdings")	Business entity	Hong Kong	Hong Kong	Investment holding	HKD10,000,000	-	43.89%
30	Brigantine Services Limited ("Hong Kong Brigantine Services")	Business entity	Hong Kong	Hong Kong	Container repair and renovation, container trade	HKD5,000,000	-	43.89%
31	Albert Ziegler GmbH ("Ziegler")	Business entity	Germany	Germany	Marine engineering design	EUR13,543,000	-	58.33%
32	CIMC Raffles Offshore(Singapore) Limited ("Offshore (Singapore)")	Business entity	Singapore	Singapore	Production of various ship for offshore oil and gas, including jack-up drilling platforms, semi-submersible drilling Platforms	SGD594,416,915 & USD453,993,377	-	85.00%

* The Group has more than half of the voting rights on the company's board of directors, which means the Group can control the company, and therefore includes it in the scope of consolidation of the Group.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) Significant transaction with non-controlling interests in current period

On 23 May 2022, the subsidiaries of the Group, Singapore Raffles and SCIMC officially entered into the Joint Venture Contract with Yantai Guofeng Group. The registered capital of Marine Technology Group is RMB5 billion, including: (1) contribution by Singapore Raffles with its 52.31% equity interests held in Yantai CIMC Raffles Offshore Engineering Co., Ltd. ("Yantai CIMC Raffles"), 83.47% equity interests held in Yantai CIMC Raffles Shipyard Ltd. and monetary capital contribution of RMB320 million in foreign currency equivalent, totaling RMB1,056 million, representing 21.12% equity interests of Marine Technology Group; (2) contribution by SCIMC with its 41.98% equity interests held in Yantai CIMC Raffles, 100% equity interests held in CIMC Marine Engineering Academe Co., Ltd. ("MEA") and debt of RMB2,408 million, totaling RMB3,109 million, representing 62.18% equity interests of Marine Technology Group; (3) monetary capital contribution by Yantai Guofeng Group in an amount of RMB835 million, representing 16.7% of the equity interests of Marine Technology Group. Upon completion of the transaction, Marine Technology Group will be a controlling subsidiary of the Company.

2. Equity in joint ventures and associates

(1) Basic information of major joint ventures and associates

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures -						
Y&C Engine	Wuhu Anhui	Wuhu Anhui	Manufacture and sales of heavy-duty engines and components and parts	Yes	-	50.00%
Associates -						
CIMC Industry & City	Shenzhen Guangdong	Shenzhen Guangdong	Real estate	Yes	-	34.44%-62.14%
CIMC Financial leasing	Shenzhen Guangdong	Shenzhen Guangdong	Financial leasing	Yes	-	45.4318%

The equity investment of the Group mentioned above are measured by equity method.

VII. EQUITY IN THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

There is no equity in the structured body not included in the consolidation range of the consolidated financial statements.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Company does not have any holding company.
2. For the information on the subsidiaries of the Company, refer to Note VI.1.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the information of the important joint ventures and associates have been disclosed in to Note VI, the rest of joint ventures and associates are as follows:

	Main Premises	Registered Place	Nature of business	Strategic for the Group or not	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistic services	No	–	51.00%
Xinghuo Chelian	Shenzhen	Shenzhen	Information Technology	No	–	28.00%
Jiangsu Wanjiang	Zhenjiang	Zhenjiang	Vehicle production	No	–	42.67%
Yantai Jinghai	Shandong	Shandong	Fishery	No	–	42.11%
Angang CIMC	Liaoning	Liaoning	Technology promotion and application services	No	–	50.00%
'K' Line Zhenhua Logistics (Tianjin)	Tianjin	Tianjin	Handling and warehousing	No	–	51.00%
Associates –						
Qingchen bamboo industry	Fujian	Fujian	Bamboo industry	No	–	30.00%
Ningbo Mediterranean	Ningbo	Ningbo	Container services	No	–	49.00%
Qingdao Port Lianhua	Qingdao	Qingdao	Logistic services	No	–	40.00%
Tianzhu International	Shanghai	Shanghai	Logistic services	No	–	30.00%
Xiamen CIMC Haitou	Xiamen	Xiamen	Logistic services	No	–	45.00%
Zhejiang Xinlong	Zhejiang	Zhejiang	Bamboo industry	No	–	30.00%
Ocean En-Tech (i)	Houston	Caymans	Onshore and offshore drilling platform operations	Yes	–	6.05%
Nantong CIMC Yike New Material	Nantong	Nantong	Sales of Materials	No	–	35.00%
Dafei Lutong (Tianjin)	Tianjin	Tianjin	Logistics services	No	–	51.00%
Tianjin Binhai COSCO Container Logistics (i)	Tianjin	Tianjin	Handling and warehousing	Yes	–	6.00%
Yichuan Tianyun	Shaanxi	Shaanxi	Electricity, heat and supply industry	No	–	43.00%
Xxentria (SHANGHAI)	Shanghai	Shanghai	Trade services	No	–	30.00%
HuaSu Airport	Guangzhou	Guangzhou	Business services	No	–	40.00%
Xuzhou Lugang	Xuzhou	Xuzhou	Logistic services	No	–	51.00%
Shenzhen Zhonglian	Shenzhen	Shenzhen	Technology training	No	–	33.00%
Ningbo Beilun	Ningbo	Ningbo	Multimodal transport	No	–	30.00%

(i) The Group's investment in Ocean En-Tech and Tianjin Binhai COSCO Container Logistics is less than 20%. However, since the Group has appointed directors in the companies, the Group believes that it can exert significant influence on the companies. Therefore, the Group regards it as an associate for subsequent measurement based on the equity method. Refer to Note IV.16 for details.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company Name	Connection relationship
Sinotrans and its subsidiaries	Subsidiary of significant shareholder
China Merchants Port Group and its subsidiaries	Subsidiary of significant shareholder
Shenzhen Capital Operation Group and its subsidiaries	Subsidiary of significant shareholder
Yiu Lian Dockyards (Shekou) Limited	Subsidiary of significant shareholder
Liaoning Port Group and its subsidiaries	Subsidiary of significant shareholder
China Merchants RORO and its subsidiaries	Subsidiary of significant shareholder
Zhangjiagang Huadi Machinery Equipment Co., Ltd.	Subsidiary of significant shareholder
Suzhou International Train Freight Co., Ltd.	Minority shareholder of subsidiary
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Japan Asahi Trading Co., LTD.	Minority shareholder of subsidiary
Changzhou Suhang Logistics Co., Ltd.	Minority shareholder of subsidiary
Ningxia Yuanshan New Energy Group ("Ningxia Yuanshan")	Minority shareholder of subsidiary
Guangzhou Zhuhai Railway Co., Ltd. ("Guangzhou Zhuhai Railway")	Minority shareholder of subsidiary
Shandong Jinertai Metal Products Co., Ltd. ("Shandong Jinertai")	Minority shareholder of subsidiary
Guangxi Yuchai Logistic Group Company	Minority shareholder of subsidiary
SIPG Group and its subsidiaries	Minority shareholder of subsidiary
China Ocean Shipping Agency Shanghai Co., Limited	Minority shareholder of subsidiary
Shenzhen Haixing Harbor Development Co., Ltd. ("Shenzhen Haixing Port")	Subsidiary of significant shareholder
Beijing Bowei Airport Support Ltd. ("Beijing Bowei")	Minority shareholder of subsidiary
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Subsidiary of significant shareholder
Zhoushan Changhong International Ship Repair Co., Ltd.	Major shareholder hold more than 30%
Shanghai Taifu Xiangzhong Equity Investment Fund Partnership (L.P.)	Minority shareholder of subsidiary
Taizhou Taifu Xiangyun Equity Investment Partnership (L.P.)	Minority shareholder of subsidiary
Xiangshan Huajin Industrial Investment Partnership (Limited Partnership)	Minority shareholder of subsidiary
Shenzhen Longyuan Gangcheng Investment Development Co., Ltd.	Minority shareholder of subsidiary
China Communications Construction Company Limited)	Minority shareholder of subsidiary

Notes to the Financial Statements

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements and followed the approval procedure of normal non-related party transactions.

(1) Purchase of goods and receiving of services

Related party name	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
– Purchase of goods		
Y&C Engine	60,787	124,978
Zhejiang Xinlong	58,679	192,902
Qingchen bamboo industry	50,908	–
Nantong CIMC Yike New Material	3,300	12
Jiangsu Wanjing	2,502	29,293
Xxentria (SHANGHAI)	1,837	–
China Merchants Port Group and its subsidiaries	1,269	–
Shenzhen Zhonglian	57	–
Zhangjiagang Huadi Machinery Equipment Co., Ltd.	–	17,548
SUMITOMO CORPORATION	–	3,048
Others	970	–
	180,309	367,781
– Receiving of services		
Sinotrans and its subsidiaries	689,213	–
Shanghai International Port (Group) and its subsidiaries	286,441	–
Suzhou International Train Freight Co., Ltd.	39,319	–
Dafei Lutong (Tianjin)	17,074	–
HuaSu Airport	9,527	–
China Ocean Shipping Agency Shanghai Co., Limited	9,089	–
Qingchen bamboo industry	6,404	–
Liaoning Port Group and its subsidiaries	4,567	–
China Merchants Port Group and its subsidiaries	2,524	–
CIMC Industry & City and its subsidiaries	227	–
Others	69,261	16,189
	1,133,646	16,189

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

Related party name	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
– Sale of goods		
Yantai Jinghai	135,458	–
CIMC Financial leasing (i)	15,403	–
Zhoushan Changhong	11,585	1,570
Y&C Engine	2,564	948
Shanghai International Port (Group) and its subsidiaries	2,395	–
China Merchants Port Group and its subsidiaries	654	–
Sinotrans and its subsidiaries	628	–
Xiamen CIMC Haitou	167	204
CIMC Industry & City and its subsidiaries	138	–
Yiu Lian Dockyards (Shekou) Limited	71	52
Orient International (Jinzhou)	–	52,525
Huanyu Oriental International (Qidong)	–	34,283
SUMITOMO CORPORATION	–	20,788
Orient International (Lianyungang)	–	17,111
Huanyu Oriental International (Ningbo)	–	13,116
Huanyu Oriental International (Qingdao)	–	12,285
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd.	–	17
Jiangsu Wanjing	–	2
Others	8,858	–
	177,921	152,901
– Rendering of services		
Sinotrans and its subsidiaries	91,984	–
Tianzhu International	65,845	61,960
Guangxi Yuchai Logistic Group Company	24,928	–
Shanghai International Port (Group) and its subsidiaries	23,996	–
NKY Zhenhua	16,882	–
China Merchants Shenzhen Roro Shipping Company Limited and its subsidiaries	14,358	–
Dafei Lutong (Tianjin)	10,509	–
Xuzhou Lugang	4,241	–
Suzhou International Train Freight	3,630	–
Guangzhou Zhuhai Railway	2,725	–
Liaoning Port Group and its subsidiaries	1,094	–
CIMC Industry & City and its subsidiaries	297	–
Others	25,694	6,223
	286,183	68,183

(i) As at the end of May 2022, CIMC Financial Leasing has completed its business registration changes. After the transaction completed, CIMC Financial Leasing is no longer included in the consolidated statements of the Group and becomes an associate of the Group. Therefore, the amount for the related party transaction payable by the Group to CIMC Financial Leasing was recorded in the month of June 2022.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS(CONTINUED)

5. Related party transactions (Continued)

(3) Leasing

The short-term lease income recognized by the Group as the lessor in the year:

Lessee's name	Types of leased assets	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Ocean En-Tech	Jack-up drilling platform	65,616	59,399
Qingdao Port Lianhua	Container Yard	2,112	2,112
		67,728	61,511

The financial lease income recognized by the Group as the lessor in the year:

Lessee's name	Types of leased assets	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
New Horizon Shipping UG	Ship	–	22,510
Hongxin Venture Workshop	Commercial factoring	–	3,921
Zhongyi Xinwei	Energy equipment	–	512
		–	26,943

The Group's increased right-of-use assets as lessee in the current period:

Lessor's name	Types of leased assets	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
CIMC Industry & City and its subsidiaries	Houses and Buildings	60,853	–
Shekou Real Estate	Houses and Buildings	–	467
		60,853	467

The interest expense of the lease liability assumed by the Group as the lessee in the current period:

Lessor's name	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
CIMC Industry & City and its subsidiaries	506	79
Shekou Real Estate	–	426
	506	505

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For the period from 1 January 2022 to 30 June 2022
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS(CONTINUED)

5. Related party transactions (Continued)

(3) Leasing (Continued)

The short-term lease expenses recognized by the Group as the lessee in the current period:

Lessor's name	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Shandong Jinertai	36	–
CIMC Industry & City and its subsidiaries	26	–
Shanghai International Port (Group) and its subsidiaries	8	20
	70	20

(4) Financing

Related party name	Amount	Starting date	Ending date	Interest income earned/interest expense recognized for the period from 1 January to 30 June 2022	Note
Financing provided					
CIMC Financial leasing (i)	3,812,518	15 August 2019	15 August 2022	9,753	Funding
CIMC Industry & City and its subsidiaries	639,298	25 January 2022	22 December 2026	4,086	Loans for shareholder operation
		29 June 2022	21 August 2024		Loans for shareholder operation
		27 March 2018	Repayment date not fixed		Loans for shareholder operation
Ningxia Yuanshan	60,549	18 June 2021	Repayment date not fixed	–	Funding
		31 March 2019	Repayment date not fixed		
Angang CIMC	10,000	9 November 2021	9 November 2022	–	Loans for shareholder operation
'K' Line Zhenhua Logistics (Tianjin)	10,067	7 June 2022	7 December 2022	106	Loans for shareholder operation
	<u>4,532,432</u>				

(i) As at the end of May 2022, CIMC Financial Leasing has completed its business registration changes. After the transaction completed, CIMC Financial Leasing is no longer included in the consolidated statements of the Group and becomes an associate of the Group. Therefore, the funding interest payable by the Group to CIMC Financial Leasing was recorded in the month of June 2022.

(5) Guarantee

The Group as the guarantor:

Guaranteed party Name	Guarantee amount	Starting date	Ending date	Whether the guarantee has been fulfilled
CIMC Industry & City and its subsidiaries	1,300,000	1 January 2022	8 December 2023	No
CIMC Financial leasing and its subsidiaries	4,800,000	1 January 2022	30 April 2026	No

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(6) Loans provided by the Group to key management personnel

As at 30 June 2022, the Group had no loans to key management personnel (As at 30 June 2021: Nil).

6. Balance of related parties

(1) Accounts receivables

As at 30 June 2022, accounts receivables from related parties were analysed as follows:

Company name	Relationship with the Group	30 June 2022			31 December 2021		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Yichuan Tianyun	Associate	68,484	0.25%	–	48,027	0.19%	19
Yantai Jinghai	Joint venture	64,443	0.24%	–	–	–	–
CIMC Industry & City and its subsidiaries	Associate	40,279	0.15%	–	–	–	–
Sinotrans and its subsidiaries	Subsidiary of significant shareholder	17,473	0.06%	177	10,124	0.04%	4
Tianzhu International	Associate	15,534	0.06%	99	6,746	0.03%	3
NKY Zhenhua	Joint venture	10,791	0.04%	68	5,558	0.02%	2
Dafei Lutong (Tianjin)	Associate	8,532	0.03%	78	8,381	0.03%	3
China Communications Construction Company Limited)	Minority shareholder of subsidiary	6,216	0.02%	2	–	–	–
Shanghai International Port (Group) and its subsidiaries	Minority shareholder of subsidiary	4,632	0.02%	1	–	–	–
Zhoushan Changhong	Major shareholder hold more than 30%	3,882	0.01%	–	4,830	0.02%	2
Guangzhou Zhuhai Railway	Minority shareholder of subsidiary	2,603	0.01%	25	–	–	–
Xuzhou Lugang	Associate	2,024	0.01%	17	–	–	–
Ningbo Beilun	Associate	248	0.00%	2	304	0.00%	–
Shitie Special Goods	Associate during 2021	–	–	–	3,146	0.01%	1
COSCO Zhenjiang	Subsidiary of investor with significant influence	–	–	–	19,708	0.08%	8
Guangxi South CIMC Logistics	Joint venture during 2021	–	–	–	11,389	0.04%	5
Jiangsu Wanjing	Joint venture	–	–	–	9,522	0.04%	4
COSCO Shipping Lines Co., Ltd ("COSCO Shipping Line")	Subsidiary of investor with significant influence	–	–	–	112	0.00%	–
Other related parties		13,390	0.05%	1,899	14,780	0.06%	6
		258,531	0.96%	2,368	142,627	0.56%	57

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balance of related parties (Continued)

(2) Other receivables

As at 30 June 2022, other receivables from related parties were analysed as follows:

Company name	Relationship with the Group	30 June 2022				31 December 2021			
		Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
CIMC Financial leasing	Associate	3,827,837	Funding and disbursements	43.63%	-	-	-	-	-
CIMC Industrial & City and its subsidiaries	Associate	729,465	Funding and disbursements	8.31%	-	347,098	Funding	7.26%	-
		226,768	Dividends receivable	2.58%	-	415,368	Dividends receivable	8.69%	-
Ningxia Yuanshan	Minority shareholders of subsidiaries	60,549	Funding	0.69%	39,636	60,549	Funding	1.27%	39,636
'K' Line Zhenhua Logistics (Tianjin)	Joint venture	10,067	Funding	0.11%	-	3,188	Funding	0.07%	-
Angang CIMC	Joint venture	10,000	Funding	0.11%	-	10,000	Funding	0.21%	-
Dafei Lutong (Tianjin)	Associate	6,016	Daily transfer	0.07%	-	3,601	Daily transfer	0.08%	-
Zhejiang Xinlong	Associate	5,115	Daily transfer	0.06%	-	-	-	0.00%	-
Sinotrans and its subsidiaries	Subsidiary of significant shareholder	3,828	Daily transfer	0.04%	-	-	-	0.00%	-
Chongqing Vehicle Inspection and Research Institute	Subsidiary of significant shareholder during 2021	-	-	0.00%	-	4,298	Daily transfer	0.09%	-
Other related parties		20,677		0.24%	-	5,348		0.11%	-
		4,900,322		55.85%	39,636	849,450		17.78%	39,636

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For the period from 1 January 2022 to 30 June 2022
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balance of related parties (Continued)

(3) Advances to suppliers

Advances to related parties are analysed as follows:

Company name	Relationship with the Group	30 June 2022			31 December 2021		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
COSCO Shipping Lines and its subsidiaries	Subsidiary of investor with significant influence during 2021	-	-	-	58,900	1.69%	-
Japan Asahi Trading	Minority shareholders of subsidiaries	10,987	0.22%	-	18,315	0.53%	-
Sinotrans and its subsidiaries	Subsidiary of significant shareholder	14,146	0.29%	-	228	0.01%	-
Jiangsu Wanjing	Joint ventures	2,293	0.05%	-	-	-	-
Changzhou Suhang Logistics Co., Ltd.	Minority shareholders of subsidiaries	226	0.00%	-	226	0.01%	-
Other related parties		1,565	0.03%	-	853	0.02%	-
		29,217	0.59%	-	78,523	2.26%	-

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For the period from 1 January 2022 to 30 June 2022
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balance of related parties (Continued)

(4) Current portion of non-current assets

As at 30 June 2022, the balance of the long-term receivables from related parties due within one year of the Group was as below:

Company Name	Relationship with the Group	30 June 2022	31 December 2021
LiHua Energy	Associate	–	170,105
Hongxin Venture Workshop Investment Group Co., Ltd. (“Hongxin Venture Workshop”)	Minority shareholders of subsidiaries from January to May 2022	–	61,178
New Horizon Shipping UG	Joint Venture from January to May 2022	–	15,583
Zhongyi Xinwei	Associate	–	3,423
		–	250,289

(5) Long-term receivables

Company Name	Relationship with the Group	30 June 2022	31 December 2021
New Horizon Shipping UG	Joint Venture from January to May 2022	–	483,449
Zhongyi Xinwei	Associate	–	3,655
		–	487,104

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balance of related parties (Continued)

(6) Accounts payables

As at 30 June 2022, accounts payables owed to related parties are as follows:

Company name	Relationship with the Group	30 June 2022		31 December 2021	
		Amount	% of total balance	Amount	% of total balance
CIMC Financial leasing and its subsidiaries	Associate	308,050	1.55%	–	–
CIMC Industry & City and its subsidiaries	Associate	133,589	0.67%	101,048	0.58%
Y&C Engine	Joint venture	37,830	0.19%	83,776	0.48%
Ningbo Penavico-CCL	Subsidiary of investor with significant influence during 2021	19,291	0.10%	6,388	0.04%
Shandong Jinertai	Minority shareholder of subsidiary	14,297	0.07%	–	–
Sinotrans and its subsidiaries	Subsidiary of significant shareholder	12,757	0.07%	48,060	0.27%
Nantong Xinyang	Associate	12,485	0.06%	–	–
Qingchen bamboo industry	Associate	6,060	0.03%	–	–
Ocean En-Tech	Associate	2,984	0.02%	2,559	0.01%
Qingdao Port Lianhua	Associate	2,936	0.02%	435	0.00%
Ningbo Mediterranean	Associate	2,750	0.01%	3,560	0.02%
Nantong CIMC Yike New Material	Associate	2,518	0.01%	827	0.00%
Jiangsu Wanjing	Joint venture	1,320	0.01%	3,505	0.02%
Florens Asset Management (USA) Limited	Subsidiary of investor with significant influence during 2021	1,192	0.01%	1,379	0.01%
Tianzhu International	Associate	58	0.00%	11	0.00%
Zhoushan Changhong	Major shareholder hold more than 30%	7	0.00%	104,027	0.59%
Shitie Special Goods	Associate during 2021	–	–	6,714	0.04%
Others		6,078	0.03%	46,240	0.26%
		564,202	2.77%	408,529	2.32%

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balance of related parties (Continued)

(7) Other payables

Company name	Relationship with the Group	30 June 2022		31 December 2021	
		Amount	% of total balance	Amount	% of total balance
CIMC Financial leasing	Associate	94,412	1.02%	–	–
Taifu Xiangzhong	Minority shareholder of subsidiary	33,567	0.36%	–	–
Taifu Xiangyun	Minority shareholder of subsidiary	32,321	0.35%	–	–
Xiangshan Huajin	Minority shareholder of subsidiary	19,376	0.21%	–	–
Zhongyi Xinwei	Associate	15,719	0.17%	1,740	0.02%
OOS International	Associate	9,786	0.11%	–	–
Beijing Bowei	Minority shareholder of subsidiary	7,309	0.08%	–	–
Ningbo Mediterranean	Associate	6,006	0.06%	4,000	0.04%
Longyuan Gangcheng	Minority shareholder of subsidiary	4,632	0.05%	–	–
Shenzhen Haixing Port	Subsidiary of significant shareholder	3,434	0.04%	764	0.01%
Sinotrans and its subsidiaries	Subsidiary of significant shareholder	2,542	0.03%	250	0.00%
CIMC Industry & City and its subsidiaries	Associate	2,491	0.03%	2,491	0.03%
NKY Zhenhua	Joint venture	695	0.01%	1,516	0.02%
Y&C Engine	Joint venture	500	0.01%	100	0.00%
Shenzhen Capital Operation Group and its subsidiaries	Subsidiary of significant shareholder	–	–	1,469,467	15.66%
Lihua Energy	Associate	–	–	33,605	0.36%
Others		13,195	0.14%	184	0.00%
		245,985	2.66%	1,514,117	16.14%

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balance of related parties (Continued)

(8) Contract liabilities

As at 30 June 2022, contract liabilities owed to related parties are as follows:

Company name	Relationship with the Group	30 June 2022		31 December 2021	
		Amount	% of total balance	Amount	% of total balance
CIMC Financial leasing	Associate	45,350	0.47%	-	-
Beijing Bowei	Minority shareholder of subsidiary	594	0.01%	-	-
China Merchants Shekou	Subsidiary of significant shareholder	1	0.00%	-	-
Zhoushan Changhong	Major shareholder hold more than 30%	-	-	77	0.00%
		45,945	0.48%	77	0.00%

7. Commitments of related parties

As at 30 June 2022, there are no commitments in relation to related parties contracted for but not yet necessary to be recognized on the balance sheet by the Group.

Notes to the Financial Statements

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests

- (1) Some key management personnel were granted share options of Enric, the subsidiary of the Company. Details of unexercised share options granted to key management personnel as at 30 June 2022 are as follows:

Name	Position	Number of granted share options (in'0000)
Gao Xiang	Chairman	40
Yu Yuqun	Vice Chairman	30
Total		70

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

Some key management personnel were granted share award scheme of Enric, the subsidiary of the Company. Details of unexercised share award scheme granted to key management personnel as at 30 June 2022 are as follows:

Name	Position	Number of granted share options (in'0000)
Gao Xiang	Chairman	80
Yu Yuqun	Vice Chairman	53
Zeng Han	Chief Financial Officer	40
Total		173

For detailed information for fair value of the granted share scheme aforesaid, please refer to Note IX.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests (Continued)

(2) Emoluments of the directors, supervisor and senior management of the Company

Directors', supervisors' and key management personnel's emoluments for the year ended 30 June 2022 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Directors –						
Mai Boliang	–	1,800	42	9,394	199	11,435
Hu Xianfu	–	–	–	–	–	–
Zhu Zhiqiang	–	–	–	–	–	–
Kong Guoliang	–	–	–	–	–	–
Deng Weidong	–	–	–	–	–	–
Ming Dong	–	–	–	–	–	–
He Jiale	Note (i)	120	–	–	–	120
Pan Zhengqi	Note (i)	120	–	–	–	120
Yang Xiong	Note (ii)	–	–	–	–	–
Zhang Guanghua	Note (ii)	–	–	–	–	–
Lv Fengmeiyi		120	–	–	–	120
Sub-total		360	42	9,394	199	11,795

Note (i): On 28 June 2022, Mr. He Jiale and Mr. Pan Zhengqi resigned as independent non-executive directors of the company due to the expiration of the term of office of the ninth board of directors.

Note (ii): On 28 June 2022, Mr. Yang Xiong and Mr. Zhang Guanghua were elected as independent non-executive directors of the tenth board of directors according to the resolution of the 2021 annual general meeting of the company.

Notes to the Financial Statements

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests (Continued)

(2) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors', supervisors' and key management personnel's emoluments for the year ended 30 June 2022 are as follows: (Continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors –						
Lou Dongyang	-	-	-	-	-	-
Xiong Bo	Note (iii)	-	111	-	534	645
Shi Lan	-	-	-	-	-	-
Ma Tianfei	Note (iv)	-	-	-	-	-
Total		-	111	-	534	645

Note (iii): On 28 June 2022, Mr. Xiong Bo resigned as the employee representative supervisor of the company due to the expiration of the term of office of the ninth board of supervisors.

Note (iv): On 28 June 2022, Mr. Ma Tianfei was elected as the employee representative supervisor of the tenth board of supervisors according to the resolution of the employee meeting of the company.

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total	
		Salary and allowance	Pension	Bonus	Others		
Other Senior Executives –							
Gao Xiang	-	1,082	74	4,025	19	5,200	
Li Yinhui	-	1,322	73	2,153	19	3,567	
Huang Tianhua	-	831	74	4,122	19	5,046	
Yu Yuqun	-	829	42	3,390	19	4,280	
Zeng Han	-	723	74	2,316	19	3,132	
Wu Sanqiang	-	606	70	2,196	19	2,891	
Sub-total		-	5,393	407	18,202	114	24,116
Total		360	7,304	449	28,130	313	36,556

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests (Continued)

(2) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors', supervisors' and key management personnel's emoluments for the year ended 30 June 2021 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Directors –						
Mai Boliang	–	1,590	36	13,658	227	15,511
Hu Xianfu	–	–	–	–	–	–
Liu Chong	Note (i)	–	–	–	–	–
Zhu Zhiqiang	–	–	–	–	–	–
Kong Guoliang	–	–	–	–	–	–
Deng Weidong	–	–	–	–	–	–
Ming Dong	–	–	–	–	–	–
He Jiale	120	–	–	–	–	120
Pan Zhengqi	120	–	–	–	–	120
Lv Feng Meiyi	120	–	–	–	–	120
Sub-total	360	1,590	36	13,658	227	15,871

Note (i): On 9 March 2021, Mr. Liu Chong resigned as a director, vice Chairman and member of the Strategy Committee of the Board of Directors of the Company due to job changes. Upon his resignation, Mr. Liu Chong will no longer serve in the Company. On the same day, Mr. Gao Xiang resigns as a director of the Company due to a change in employment. Mr. Gao Xiang's position as president of the Company and other positions held by the Company's subsidiaries will remain unchanged after his resignation.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests (Continued)

(2) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors', supervisors' and key management personnel's emoluments for the year ended 30 June 2021 are as follows: (Continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors –						
Lin Feng	Note (ii)	–	–	–	–	–
Lou Dongyang		–	–	–	–	–
Xiong Bo		–	112	–	416	528
Shi Lan		–	–	–	–	–
Sub-total		–	112	–	416	528

Note (ii): On 9 March 2021, Mr. Lin Feng requested to resign as the supervisor of the Company and the supervisor representing the shareholders due to the change of work arrangement. After his resignation, Mr. Lin Feng will no longer hold office in the Company. Since Mr. Lin Feng's withdrawal from the position of supervisor will result in the number of members of the Board of Supervisors of the Company falling below the statutory minimum, the effective date of Mr. Lin Feng's resignation will be the date on which the new supervisor is approved by the shareholders at the General meeting of shareholders of the Company. Until then, Mr. Lin Feng will continue to perform his duties as supervisor.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests (Continued)

(2) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors', supervisors' and key management personnel's emoluments for the year ended 30 June 2021 are as follows: (Continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total	
		Salary and allowance	Pension	Bonus	Others		
Other Senior Executives –							
Gao Xiang	Note (i)	–	903	64	4,436	17	5,420
Li Yinhui		–	741	63	2,707	17	3,528
Huang Tianhua		–	711	64	4,468	17	5,260
Yu Yuqun		–	886	36	4,222	17	5,161
Zeng Han		–	604	62	3,752	17	4,435
Wu Sanqiang	Note (iii)	–	188	25	3,829	9	4,051
Sub-total		–	4,033	314	23,414	94	27,855
Total		360	5,735	350	37,488	321	44,254

Note (i): On 9 March 2021, Mr. Liu Chong resigned as a director, vice Chairman and member of the Strategy Committee of the Board of Directors of the Company due to job changes. Upon his resignation, Mr. Liu Chong will no longer serve in the Company. On the same day, Mr. Gao Xiang resigns as a director of the Company due to a change in employment. Mr. Gao Xiang's position as president of the Company and other positions held by the Company's subsidiaries will remain unchanged after his resignation.

Note (iii): On 29 March 2021, at the 7th meeting of the 9th Board of Directors of 2021, the Company agreed to appoint Mr. Wu Sanqiang as the Secretary of the Board of Directors and joint Secretary of the Company for a term of three years, beginning on 30 March 2021 and ending at the annual Board of Directors of 2024.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8. Directors' interests and interests (Continued)

(2) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Other benefits mainly consists of housing funds, pensions, medical insurance, etc.

(3) Termination benefits for directors

For the period from 1 January to 30 June 2022, there was no compensation for directors with terminated appointment from the Company and the subsidiaries (for the period from 1 January to 30 June 2021: Nil).

(4) Consideration paid to third parties for service of directors

For the period from 1 January to 30 June 2022, there was no consideration paid to third parties for service of directors (for the period from 1 January to 30 June 2021: Nil).

(5) Loans, quasi-loans offered and other transactions with directors, legal entities controlled by directors and their related persons

As at 30 June 2022, there were no loans, quasi-loans and guarantees offered to directors, legal entities controlled by directors and their related persons (30 June 2021: Nil).

(6) Guarantees for loans of directors, legal entities controlled by directors and their related persons

As at 30 June 2022, there were no Guarantees for loans of directors, legal entities controlled by directors and their related persons (30 June 2021: Nil).

(7) Significant interest of directors in transactions, arrangement and contracts

For the period from 1 January to 30 June 2022, the Company did not enter into any agreement that related to the business of the Group, in which the directors have significant interest in transactions, arrangement and contracts directly or indirectly (for the period from 1 January to 30 June 2021: Nil).

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(All amounts in RMB'000 unless otherwise stated)

IX. SHARE-BASED PAYMENTS

1. Summary of the Group's major share-based payments

Expenses recognized for the period arising from share-based payments are as follows:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Equity-settled share-based payment	73,889	11,984

2. Information on equity-settled share-based payment

(1) Information on equity-settled share-based payment of Enric

(1) Share option

Enric, a subsidiary of the Company, carried out another share options plan (the "Plan I"), which was approved by the shareholders' meeting on 12 July 2006. According to Plan I, the board of directors of the company was authorised to grant share options to the key management personnel and other employees of Enric to subscribe for shares of Enric. And the Grantor shall pay a consideration of HK \$1 when granting stock options. Each option gives the holder the right to subscribe for one ordinary share in Enric. The grant period is 10 years from the date of grant. Plan I expires on July 11, 2016. Enric adopts a new stock option plan ("Plan II") from July 12, 2016. The validity period of Plan II is 10 years. As of June 30, 2022, the company has not granted the stock option of Plan II.

(2) Restricted share award scheme (2018)

The shareholders of Enric, a subsidiary of the Group, approved the Restricted Share Award Scheme (2018) (the "2018 Award Scheme") on 10 August 2018 (the "Grant Date"). Subsequently 46,212,500 restricted shares were issued and allotted to a trustee which holds the restricted shares on behalf of the selected participants until the restricted shares were vested. Selected participants are entitled to the related distribution derived from the relevant restricted shares during the period from the date of the issue of the restricted Shares to the vesting date (both dates inclusive) of such restricted shares, which shall however only be vested by the relevant selected participant on the vesting date subject to fulfilment of vesting conditions of the restricted shares.

The selected participants include certain directors of Enric, certain members of senior management and employees of Enric who under the terms of the Award Scheme subscribed for the restricted shares at HKD3.71 per share (the "Subscription Price"). Under the terms of the Award Scheme, if the vesting conditions are fulfilled, the restricted shares shall be vested by 30%, 30% and 40% by April 2019, April 2020 and April 2021, respectively. For the selected participants who do not meet the vesting conditions, the unvested restricted shares remaining at the end of the 2018 Award Scheme will be forfeited.

The fair value of the restricted shares issued was assessed based on the market price of the Company's shares at the Grant Date. The expected dividends and time value of money for the expected dividends during the vesting period were taken into account when assessing the fair value of the awarded shares. The weighted average fair value of awarded shares granted during the year ended 31 December 2018 was HKD6.70 per share (equivalent to approximately RMB5.67 per share).

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(1) Information on equity-settled share-based payment of Enric (Continued)

(3) *Share award scheme (2020)*

The board of directors of Enric, a subsidiary of the Group, adopted the 2020 Share Reward Plan (“2020 Reward Plan”) on April 3, 2020. According to the 2020 Reward Plan, Enric’s board of directors has the sole discretion to select any Enric employee as a qualified participant of the plan. Enric’s board of directors can also determine the number of shares to be granted in the future (subject to any unlocking conditions) and the consideration (if any) that eligible participants need to pay. Enric’s board of directors has appointed a trustee to use Enric’s resources to purchase Enric’s shares on the Hong Kong Stock Exchange. The trustee will hold these shares in accordance with the terms of the trust contract and transfer these shares to the relevant participants after the relevant unlocking conditions are fulfilled.

As of June 30, 2022, the trustee has not purchased any share of Enric according to the 2020 Reward Plan (December 31, 2021: 39,198,000 shares)

On 17 November 2021 (the “Grant Date”), Enric granted 33,324,006 shares (the “grant shares”) to selected participants. The shares are held by the trustee on behalf of the selected participants until the grant shares are vested. Selected participants are entitled to the related distribution derived from the relevant restricted shares during the period from the date of the issue of the grant shares to the vesting date (both dates inclusive) of such restricted shares, which shall however only be vested by the relevant selected participant on the vesting date subject to fulfilment of vesting conditions of the grant shares.

The selected participants include certain directors of Enric, certain members of senior management and employees of Enric who under the terms of the Award Scheme 2020 subscribed for the grant shares at HKD3.71 per share (the “Subscription Price”). Under the terms of the Award Scheme 2020, if the vesting conditions are fulfilled, the grant shares shall be vested by 35.8%, 32.2% and 32.0% by April 2022, April 2023 and April 2024, respectively. For eligible participants who do not meet the unlocking conditions, the remaining unlocked restricted shares at the end of the 2020 Reward Plan will be forfeited.

The fair value of the restricted shares issued was assessed based on the market price of Enric’s shares at the grant date. The expected dividends and time value of money for the expected dividends during the vesting period were taken into account when assessing the fair value of the awarded shares.

The weighted average fair value of restricted shares granted during the year ended 30 June 2022 was HKD3.743 per share (equivalent to approximately RMB3.07 per share).

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For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(1) Information on equity-settled share-based payment of Enric (Continued)

- (4) On 27 November 2020, Enric's board of directors approved CIMC Safe Tech's share award plan ("CIMC Safe Tech Award Scheme"), to recognize the past and present contributions of the incentive recipients to the chemical and environmental business segments and to encourage those who will continue to contribute in the future. Under the scheme, equity interests in CIMC Safe Tech will be granted to incentive recipients through a partnership platform upon subscription of new share capital in CIMC Safe Tech. The total capital contribution made by the participants (through the Partnership Platforms) of the CIMC Safe Tech Award Scheme was approximately RMB139,719,000, representing 10% of the enlarged share capital of CIMC Safe Tech upon completion of the increase of the share capital pursuant to the scheme. As at 30 June 2022, the vesting conditions had not been fulfilled and the selected participants were not entitled to any distribution made by CIMC Safe Tech. The expenses arising from the CIMC Safe Tech Award Scheme recognised during the period were RMB10,631,000.
- (5) On 8 June 2022, Enric's board of directors approved the equity incentive scheme of CIMC LPT ("CIMC LPT Scheme"), to recognize the past and present contributions and to incentivize the future contributions by the incentive recipients to the Liquid Food Business Unit. Pursuant to the scheme, the grant date is 1 January 2022, incentive equity interest in CIMC LPT will be granted to the incentive recipients through the Partnership Platforms by way of subscribing for new registered capital in CIMC LPT. The total capital contribution made by the participants (through the Partnership Platforms) of the CIMC LPT Scheme was approximately RMB83,000,000, representing 6.33% of the enlarged share capital of CIMC LPT upon completion of the increase of the share capital pursuant to the scheme. As at 30 June 2022, the participants have paid in capital RMB65,340,000. The expenses arising from the CIMC LPT Scheme recognised during the period were RMB14,414,000.

(2) Information on equity-settled share-based payment of CIMC Tianda

On 9 March 2005, 9 employees of Tianda Airport together with the Labour Union of Tianda Airport (hereinafter "Tianda Labour Union") established Shenzhen TGM Limited (hereinafter "Employee Shareholding Platform") with a registered capital of RMB9.4 million, in which Tianda Labour Union holds 61.3% of the equity interests. Since 2005, Shenzhen TGM Limited has granted the reserved shares held by Tianda Labour Union to the employees of Tianda Airport as a reward in batches on an annual basis.

The waiting period of the restricted shares incentive plan of CIMC Tianda participated by these employees is 5 years. CIMC Tianda determines the fair value of the restricted stock units based on the price of the ordinary shares on the grant date. The difference between the fair value of each restricted share and the capital increase price of each share held by the incentive recipients is amortised and credited to the expenses of share-based payments during the waiting period.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

3. Summary of equity-settled share-based payment

As at 30 June 2022, accumulated amount recognized in capital reserve for equity-settled share-based payments		569,115
Total expenses recognized for equity-settled share-based payments for current period	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Including:	73,889	11,984
– attributed to Enric	57,947	11,984
– attributed to Tianda	15,942	–
	73,889	11,984

X. CONTINGENCIES

1. Guarantees provided for external parties

CIMC Vehicles, a subsidiary of the Group, carried out vehicle buyer credit business and signed loan guarantee contracts with China Merchants Bank, China Guangfa Bank, Huishang Bank and Industrial Bank, providing credit guarantees to the relevant banks for their financing to the distributors and customers of the Group and its holding subsidiaries arising from purchase of vehicle products. As at 30 June 2022, the aggregate amount of credit facilities of the distributors and customers in respect of which the Group and its holding subsidiaries provided guarantees was RMB1,842,880,000 (31 December 2021: RMB2,151,916,000).

The Group's subsidiary, C&C Trucks and its subsidiaries carried out vehicle buyer credit business and signed vehicle loan guarantee contracts with external banks, providing credit guarantees to the relevant banks for their financing to the distributors and customers of C&C Trucks and its subsidiaries arising from purchase of vehicle products. As at 30 June 2022, the aggregate amount of credit facilities of the distributors and customers in respect of which C&C Trucks and its subsidiaries provided guarantees was approximately RMB438,722,000 (31 December 2021: RMB571,527,000).

The Group does not expect that the credit risk of the above guarantees has significantly increased since initial recognition, thus measures the allowance for those commitments at an amount equal to 12-month expected credit losses (Note IV (36)).

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd. cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank in mortgage credit cooperation and signed a property loan guarantee contract, providing phased guarantees for the loans that the customers of the company obtained from the relevant banks for purchasing properties. As at 30 June 2022, the aggregate customer financing loans for which Shaanxi Vehicles Industrial Park provided guarantees, were approximately RMB10,218,000 (31 December 2021: RMB11,459,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company entered into a guarantee agreement with the relevant banks to provide guarantee for the loans of CIMC Industry & City and its subsidiaries. As at 30 June 2022, the amount for which the Company provided guarantees was RMB586,127,000 (31 December 2021: RMB605,002,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company and its subsidiaries entered into guarantee agreements with the relevant banks to provide guarantee for the financing business of CIMC Financial Leasing and its subsidiaries. As at 30 June 2022, the amount for which the Company and its subsidiaries provided guarantees was RMB729,257,000.

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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X. CONTINGENCIES (CONTINUED)

2. Notes payables issued but not accounted for, outstanding letters of credit issued and outstanding performance guarantees issued

The Group does not recognise notes payables or letters of credit issued as deposits. Corresponding inventories, advances to suppliers and notes payables are recognised at the earlier of the date of delivery of goods and the maturity date of the notes issued. As at 30 June 2022, the Group had notes payables issued but not accounted for of nil (31 December 2021: RMB117,445,000) and had outstanding letters of credit RMB259,001,000 (31 December 2021: RMB270,576,000).

As at 30 June 2022, the Company had outstanding balance of guarantees issued for subsidiaries of the Group of RMB318,789,000, USD744,432,000 (equivalent to RMB4,996,181,000), GBP9,965,000 (equivalent to RMB81,080,000) and EUR51,748,000 (equivalent to RMB362,671,000), respectively, totaling RMB5,758,721,000 (31 December 2021: totaling RMB4,974,310,000).

As at 30 June 2022, the outstanding balance of guarantees of the Group's subsidiary issued by the bank was RMB1,538,561,000, mainly including the balance of advance payment guarantees of RMB288,859,000, the balance of quality guarantees (including foreign guarantees) of RMB231,272,000, the balance of other nonfinancing guarantees of RMB444,606,000 and the balance of performance guarantees of RMB570,393,000 (31 December 2021: RMB2,620,239,000).

XI. COMMITMENTS

1. Capital expenditure commitments

(1) Capital expenditure commitments contracted for but not yet necessary to be recognised on the balance sheet

	January to June 2022	2021
Foreign investment contracts (i)	7,273,815	6,909,984
Vessels manufactured for sales or lease	265,320	265,320
Fixed assets purchase and construction contracts	4,470	22,382
	7,543,605	7,197,686

(i) On 27 September 2021, the Company and A.P. Møller – Mærsk A/S (“APMM”) entered into the Share Purchase Agreement-Maersk Container Industry. The Company proposed to purchase Maersk Container Industry (“MCI”) of APMM, and MCI comprises two entities: Maersk Denmark Industry (丹麥馬士基工業公司) and Maersk Qingdao Container Industry Co., Ltd. (青島馬士基集裝箱工業有限公司). The purchase consideration of the entire equity interest of the target companies was USD1,083.8 million (approximately RMB7,273,815,000). Pursuant to the agreement, if either of the Company and APMM terminates the agreement due to the circumstances referred to in the agreement, including the failure to obtain investment and competition law clearance for the agreement prior to the long stop date, the Company shall pay a breakup fee of USD85,000,000 (equivalent to RMB570,469,000) to APMM within less than 2 days.

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XII. EVENTS AFTER THE BALANCE SHEET DATE

- At the fourth meeting in 2022 of the ninth session of the Board and the first meeting in 2022 of the ninth session of the supervisory committee convened on 28 March 2022 by the Company, the Resolution Regarding the Proposal on Profit Distribution for the Year 2021 and the High-proportion Transfer Plan was considered and approved and it is agreed that the profit distribution plan for 2021 is as follows: to distribute cash dividends to all Shareholders registered in the register of members of the Company on dividend registration date based on the number of shares on the dividend registration date: to distribute a dividend of RMB6.9 per 10 shares (inclusive of tax) in cash without bonus shares and additional 5 new shares will be issued to all Shareholders for every 10 shares held by way of capitalization of capital reserve. The profit distribution plan for 2021 was considered and approved at the 2021 annual general meeting, the first class meeting of the holders of A Shares for 2022 and the first class meeting of the holders of H Shares for 2022 convened on 28 June 2022. The Company completed dividend payment for 2021 on 18 August 2022.
- On 14 April 2022, as considered and approved at the fifth meeting in 2022 of the ninth session of the Board of the Company, CIMC Transportation Technology intended to introduce Yuanzhi Venture Capital, Yuanzhi Ruixin and Xinfuhui XV as strategic investors. Upon completion of the transaction, the Company's shareholding in CIMC Transportation Technology reduced from 70.9238% to 67.3334%. As at 29 August 2022, the first round of capital increase was completed. As CIMC Transportation Technology realized a solid growth in its results in the first half of 2022 and achieved substantial breakthroughs in new product development, new customers or industry expansion, the investors intent to implement the second round of capital increase to CIMC Transportation Technology as they remain positive about CIMC Transportation Technology's development prospects. On 29 August 2022, by way of entering into the investment agreement and the shareholders agreement, HSUM, Yuanzhi Venture Capital, Yuanzhi Ruixin and Xinfuhui XV, as parties to the capital increase, agreed to increase the capital of CIMC Transportation Technology. After the completion of the second round of capital increase, the Company's shareholding in CIMC Transportation Technology will be reduced from 67.3334% to 63.5799%. CIMC Transportation Technology will remain a non-wholly owned subsidiary of the Group.
- On 27 September 2021, as considered at the twenty-third meeting in 2021 of the ninth session of the Board of the Company, the Company and A.P. Møller – Mærsk A/S ("APMM") entered into a share purchase agreement. The Company proposed to purchase Maersk Container Industry ("MCI") of APMM, and MCI comprises two entities: Maersk Denmark Industry (丹麥馬士基工業公司) and Maersk Qingdao Container Industry Co., Ltd. (青島馬士基集裝箱工業有限公司) (the "Transaction"). Currently, due to the huge uncertainty in the centralised review of operators, it may lead to the failure to achieve the conditions precedent to the Transaction stipulated in the share purchase agreement. Therefore, after comprehensive and prudent assessment, the parties decided to terminate the Transaction on 25 August 2022. The Company is actively negotiating and communicating with APMM in respect of the Company's compensation obligations arising from the termination of the Transaction, and evaluating the financial impact on the Company. The termination of the Transaction will not have a material adverse impact on the Group's main business operations.

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XIII. DISCONTINUED OPERATIONS

As at 27 May 2022, the Group lost control over CIMC Financial Leasing and its subsidiaries due to capital increase by and transfer to other investors (Note V. 2). The subsidiaries transferred above discontinued operations, the operating results and gains or losses on disposal are listed as follows:

	For the period from 1 January to 31 May 2022	For the period from 1 January to 30 June 2021
Income from discontinued operations	480,208	731,245
Less: Costs and expenses from discontinued operations	171,313	251,374
Including: Recognize/(reversal) impairment losses from discontinued operations	-	-
Profit before income tax from discontinued operations	255,899	333,180
Less: Income tax expenses from discontinued operations	50,356	128,548
Operating profit and loss from discontinued operations	205,543	204,632
Total gains or losses on disposal from discontinued operations	(184,383)	-
Less: Income tax expenses from gains and losses on disposal	-	-
Net gains or losses on disposal from discontinued operations	(184,383)	-
Net profit from discontinued operations	21,160	204,632
Net profit from discontinued operations for owners of the Company	(82,106)	111,347
Net profit from continuing operations for owners of the Company	106,938	92,704

XIV. SEGMENT REPORTING

In accordance with the Group's internal organization structure, management requirement and internal reporting process, eight reportable segments are identified by the Group including: container manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport, facilities and logistics equipment, fire safety and rescue equipment, logistics services, finance and asset management and recycled load business. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segment as different technical and market strategies are adopted. The Group's management reviews the financial information of individual business segment regularly to determine resources allocation and performance assessment.

1. Segment profits, losses, assets and liabilities

In order to assess the segment performance and resources allocation, the Group's management reviews assets, liabilities, revenue, expenses and operating results of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include current assets of each segment, such as tangible assets, intangible assets, other long-term assets and receivables, but exclude deferred income tax assets and other unallocated headquarters assets. Segment liabilities include payables, bank borrowings, provisions, special payables and other liabilities of each segment, while deferred income tax liabilities are excluded.

Segment operating results represent segment revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation and impairment losses attributable to assets of each segment, net interest expenditure generated from bank deposits and bank borrowings directly attributable to each segment. Transactions conducted among segments are under similar non-related party transaction commercial terms.

Notes to the Financial Statements

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XIV.SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that the management of the Group has used when measuring the profit/(loss), assets and liabilities of the reporting segment, or has not used the following data but provided to the management of the Group on a regular basis:

Item	Containers manufacturing Period from 1 January to 30 June 2022	Road transportation vehicles Period from 1 January to 30 June 2022	Energy, chemical and liquid food equipment Period from 1 January to 30 June 2022	Offshore engineering Period from 1 January to 30 June 2022	Airport facilities and logistics equipment, fire safety and rescue equipment Period from 1 January to 30 June 2022	Logistics services Period from 1 January to 30 June 2022	Finance and asset management Period from 1 January to 30 June 2022	Recycled load Period from 1 January to 30 June 2022	Others Period from 1 January to 30 June 2022	Elimination between segments and unallocated amounts Period from 1 January to 30 June 2022	Total Period from 1 January to 30 June 2022
External transaction	21,814,601	11,064,773	9,513,543	2,542,857	2,579,318	17,207,679	1,067,551	3,381,785	2,998,765	(44,614)	72,126,258
Inter segment transaction	953,364	131,069	80,903	25,241	8,767	71,023	82,094	11,049	728,028	(2,091,538)	-
Cost of sales from main operations	17,273,338	9,904,187	7,859,648	2,224,429	2,015,353	16,243,533	936,741	2,674,849	3,307,315	(2,004,693)	60,434,700
Investment income/(loss) in joint ventures and associates	18,113	(1,944)	(375)	(4,856)	4,471	18,904	-	134	(68,027)	-	(33,580)
Impairment and credit loss for the period	(18,331)	18,079	54,340	23	39,682	21,640	17	1,187	61,794	657	179,088
Depreciation and amortization expenses	271,435	280,293	229,624	355,196	71,644	89,417	422,179	124,582	92,266	(74,799)	1,861,837
Interest income	121,074	34,617	6,930	4,616	2,044	7,008	131,340	6,861	508,778	(673,157)	150,111
Interest expenses	8,709	22,050	32,793	384,244	24,784	33,197	162,734	8,360	501,093	(615,751)	562,213
Total profit/(loss)	3,825,695	455,974	542,630	(236,975)	31,529	427,601	79,466	360,191	1,019,545	(2,007,556)	4,498,100
Income tax expenses	772,314	85,669	74,332	3,883	14,586	127,338	74,808	56,176	5,758	49,148	1,264,012
Net profit/(loss)	3,053,381	370,305	468,297	(240,857)	16,943	300,263	4,658	304,015	1,013,787	(2,056,704)	3,234,088
Segment total assets	31,944,921	22,115,799	21,347,428	40,586,440	9,113,580	9,486,036	40,390,574	4,347,416	55,706,179	(76,687,744)	158,350,629
Segment total liabilities	14,787,438	9,811,377	12,762,702	42,935,124	6,107,788	6,482,665	43,444,420	2,026,858	47,321,351	(88,008,477)	97,671,246
Supplementary information:											
- Other non-cash (income)/expenses other than depreciation and amortization	304,476	69,840	50,439	(6,253)	124,970	(31,692)	(73,640)	12,553	(93,002)	133,367	491,058
- Long-term equity investment of joint ventures and associates	679,642	45,136	179,369	379,312	40,509	475,339	53,966	2,930	8,262,105	-	10,118,308
- Amount of additions to other non-current assets other than long-term equity investment, financial assets and deferred tax assets	962,727	373,132	1,410,068	680,563	18,451	154,089	15,549	439,618	211,521	(1,292,065)	2,973,653

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XIV.SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that the management of the Group has used when measuring the profit/(loss), assets and liabilities of the reporting segment, or has not used the following data but provided to the management of the Group on a regular basis: (Continued)

Item	Containers manufacturing Period from 1 January to 30 June 2021	Road transportation vehicles Period from 1 January to 30 June 2021	Energy, chemical and liquid food equipment Period from 1 January to 30 June 2021	Offshore engineering Period from 1 January to 30 June 2021	Airport facilities and logistics equipment, fire safety and rescue equipment Period from 1 January to 30 June 2021	Logistics services Period from 1 January to 30 June 2021	Finance and asset management Period from 1 January to 30 June 2021	Recycled load Period from 1 January to 30 June 2021	Others Period from 1 January to 30 June 2021	Elimination between segments and unallocated amounts Period from 1 January to 30 June 2021	Total Period from 1 January to 30 June 2021
External transaction	26,782,336	17,560,940	8,077,587	2,820,226	2,816,907	9,814,199	852,163	2,411,209	2,411,470	(362,488)	73,184,549
Inter segment transaction	668,473	150,904	237,405	(1,548)	16,098	111,446	200,426	215,574	699,639	(2,298,417)	-
Cost of sales from main operations	20,816,923	15,897,026	6,918,454	2,645,266	2,154,881	9,304,007	408,096	2,157,408	2,789,976	(2,769,089)	60,322,948
Investment income/(loss) in joint ventures and associates	20,413	2,159	(678)	(1,344)	1,796	10,822	11,249	8,866	(150,544)	-	(97,261)
Impairment and credit loss/(reversal) for the period	873	91,155	24,869	30	23,742	10,254	106,691	(999)	70,125	(59,198)	268,142
Depreciation and amortization expenses	185,433	244,167	214,310	393,503	99,739	130,865	313,733	50,463	108,219	(140,608)	1,599,824
Interest income	72,979	26,035	8,290	28,467	4,744	7,641	104,975	3,303	874,059	(1,270,311)	(139,818)
Interest expenses	39,420	28,250	34,079	499,234	29,575	13,679	75,051	18,032	84,446	(885,644)	716,122
Total profit/(loss)	5,728,753	881,614	438,593	(662,202)	209,008	217,204	332,179	267,752	(139,213)	(414,475)	6,859,213
Income tax expenses	1,334,871	120,964	90,692	18,163	29,415	51,283	143,051	38,802	43,902	(57,426)	1,813,717
Net profit/(loss)	4,393,882	760,650	347,901	(680,365)	179,593	165,921	189,128	228,950	(183,115)	(357,049)	5,045,496
Segment total assets	30,210,454	22,222,594	17,839,352	34,346,362	9,100,788	6,290,921	45,287,340	2,912,675	50,692,156	(61,466,849)	157,435,793
Segment total liabilities	17,307,923	11,203,279	10,220,442	38,183,793	5,764,447	4,244,464	44,090,295	1,959,910	48,375,445	(81,126,146)	100,223,852
Supplementary information:											
- Other non-cash (income)/expenses other than depreciation and amortization	229,669	73,206	58,361	(5,895)	15,013	5,192	51,312	6,144	107,750	1,343	542,095
- Long-term equity investment of joint ventures and associates	931,748	73,674	64,165	107,491	33,251	387,321	546,852	71,046	6,447,019	-	8,662,567
- Amount of additions to other non-current assets other than long-term equity investment, financial assets and deferred tax assets	1,212,602	747,330	327,184	56,693	195,360	265,756	1,118,813	154,170	100,014	(614,890)	3,563,032

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XIV. SEGMENT REPORTING (CONTINUED)

2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets, deferred tax assets and long-term receivables, same for the below). Revenue from external customers are based on the locations of customers at which the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical location of the assets (for fixed assets), or the location of the business to which they are allocated (for intangible assets and goodwill), or the location of operations of the associates and joint ventures.

Geographic information (according to the receiving party division)

	Revenue from external customers		Total non-current assets	
	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021	30 June 2022	31 December 2021
PRC	37,436,059	38,036,716	53,193,649	51,696,339
Asia (exclusive of PRC)	5,992,074	6,553,420	377,324	241,891
America	12,927,797	12,616,824	8,896,892	8,481,520
Europe	14,850,549	14,536,134	1,889,798	1,597,683
Others	919,779	1,441,455	185,946	166,140
Total	72,126,258	73,184,549	64,543,609	62,183,573

XV. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Group's activities expose it to a variety of financial risks, mainly including market risk (primarily including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The above financial risks and the Group's risk management policies to mitigate the risks are as follows:

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These risk management policies put forward clear provisions for the risks such as market risk, credit risk and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems. The Group's risk management is carried out by the Risk Management Committee under policies approved by the Board of Directors. The Risk Management Committee closely cooperates with other departments of the Group to identify, evaluate and avoid relevant risks. The internal audit department of the Group conducts periodical audit to the controls and procedures for risk management and reports the audit results to the Audit Committee of the Group.

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

1. Market risk

(1) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are settled in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities denominated in foreign currencies (mainly USD and HKD), and future businesses settled in foreign currencies (mainly USD and HKD). The Group continuously monitors the amount of assets and liabilities denominated in foreign currencies, and volume of transactions settled in foreign currencies to minimise the foreign exchange risk. Therefore, the Group considers entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk (Note IV.3).

As at 30 June 2022 and 31 December 2021, the Group's foreign exchange risk exposure with respect to assets or liabilities denominated in foreign currencies is presented below. The items listed below related to foreign exchange risk exposure mainly represent the assets or liabilities denominated in foreign currencies held by the subsidiaries of the Company whose recording currency is RMB. For presentation purposes, amounts of exposures are presented in RMB and translated at spot exchange rates at the balance sheet date. Difference on translation of foreign currency financial statements are not included.

	30 June 2022				31 December 2021			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	2,640,463	266,448	92,848	25,970	2,944,007	351,272	339,172	21,494
Receivables	13,289,813	83,479	51,765	35,285	11,171,090	63,846	55,811	33,517
Contract Assets	-	-	-	-	38,560	-	-	-
Short-term borrowings	(1,318,469)	(56,919)	(25,698)	-	(2,123,865)	(31,267)	(179,155)	-
Lease liabilities	-	-	(275)	-	(1,421)	-	(5,771)	-
Long-term borrowings	(198,097)	-	(129,912)	-	(1,460,399)	-	-	-
Payables	(2,768,300)	(78,852)	(11,549)	(1,259)	(1,097,723)	(99,395)	(1,515)	(140)
Non-current liabilities due within one year	-	-	(21,627)	-	(895)	-	(20,680)	-
Gross balance sheet exposure	11,645,410	214,156	(44,448)	59,996	9,469,354	284,456	187,862	54,871

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XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

1. Market risk (Continued)

(1) Foreign exchange risk (Continued)

As at 30 June 2022, for the financial assets, contract assets, financial liabilities and lease liabilities denominated in USD held by the subsidiaries whose functional currencies are RMB, if the RMB had strengthened/weakened by 4% against the USD with all other variables held constant, the Group's net profit for the year would be approximately RMB349,362,000 lower/higher; for the financial assets, financial liabilities and lease liabilities denominated in HKD held by the subsidiaries whose functional currencies are RMB, if the RMB had strengthened/weakened by 4% against the HKD with all other variables held constant, the Group's net profit for the year would be approximately RMB1,333,000 lower/higher.

On 30 June 2022 and 31 December 2021, the amount converted into RMB of foreign currency financial assets, foreign currency contract assets, foreign currency financial liabilities and foreign currency lease liabilities held by the subsidiaries whose recording currencies are US dollars in the Group is shown as follows:

	30 June 2022				31 December 2021			
	RMB	EUR	HKD	JPY	RMB	EUR	HKD	JPY
Cash at bank and on hand	104,538	242,640	88,512	-	273,158	2,171	5,577	-
Receivables	577,941	29,629	-	-	483,088	216	-	-
Receivables financing	24,058	-	-	-	-	-	-	-
Short-term borrowings	(427,447)	(18,572)	-	-	(738,802)	(19,134)	-	-
Payables	(872,918)	(60,113)	(66)	-	(733,754)	(68,045)	-	-
Non-current liabilities due within one year	(9,588)	-	-	-	-	-	-	-
Gross balance sheet exposure	(603,416)	193,584	88,446	-	(716,310)	(84,792)	5,577	-

As at 30 June 2022, for financial assets, contract assets, financial liabilities and lease liabilities denominated in RMB held by the subsidiaries whose functional currencies are USD, if the USD had strengthened/weakened by 4% against the RMB with all other variables held constant, the Group's net profit for the year would be approximately USD2,697,000, equivalent to RMB18,102,000 (31 December 2021: approximately USD3,369,000, equivalent to RMB21,489,000) lower/higher.

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For the period from 1 January 2022 to 30 June 2022
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XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

1. Market risk (Continued)

(2) Interest rate risk

The Group's interest rate mainly risk arises from long-term interest bearing debts including long-term bank borrowings and bonds payable. Financial liabilities with floating rates expose the Group to cash flow interest rate risk. Financial liabilities with fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2022, the Group's long-term interest bearing borrowings were mainly RMB-denominated with floating rates linked to SHIBOR, amounting to RMB15,696,747,000 (31 December 2021: RMB14,978,040,000).

The Group continuously monitors its interest rate position. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding interest bearing debts with floating rates, and therefore could have a material adverse effect on the Group's financial performance. The management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk.

As at 30 June 2022, if the interest rates on floating rate borrowings linked to SHIBOR had risen/fallen by 50 basis points (31 December 2021: 50 basis points) while all other variables held constant, the Group's net profit would be approximately RMB58,863,000 (31 December 2021: RMB56,168,000) lower/higher.

(3) Other price risks

The Group's other price risk arises mainly from various investments in equity instruments. As at 30 June 2022, the Group's investments in equity instruments held for trading amounted to RMB926,692,000, mainly representing investments in monetary funds; the Group's investments in other equity instruments amounted to RMB1,054,079,000, mainly representing 209,586,000 listed tradable shares of Shoucheng Holdings and 40,000,000 listed tradable shares of China Railway Special Cargo held by the Group.

As at 30 June 2022, if the expected price of investments in equity instruments had risen/fallen by 5% (2021: 5%) with all other variables held constant, the Group's net profit would be approximately RMB49,750,000 (2021: RMB35,433,000) higher/lower.

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XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

2. Credit risks

The Group's credit risk mainly arises from cash at bank, notes receivables, accounts receivables, receivables financing, other receivables, contract assets, debt investments, other debt investments, financial guarantee contracts and loan commitments, etc., and investments in debt instrument and derivative financial assets at fair value through profit or loss that are not included in the impairment assessment scope. Except for the financial guarantees provided by the Group as stated in Note 10, the Group has not provided any other guarantees that may expose the Group to credit risk. The maximum credit risk exposures in relation to the above financial guarantee obligations as at the balance sheet date are disclosed in Note 10.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks with good reputation and high credit rating. The Group does not expect that there will be significant losses from non-performance by these banks.

In addition, the Group has policies to limit the credit exposure on notes receivables, accounts receivables, contract assets, receivables financing and other receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2022, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2021: Nil).

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XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

3. Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it maintains sufficient cash and securities that can be realized at any time, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the financial liabilities of the Group were analysed by their maturity date at their undiscounted contractual cash flows as follows:

	30 June 2022					Total	Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years			
Short-term borrowings	8,103,641	-	-	-	8,103,641	7,853,887	
Derivative financial liabilities	1,181,756	-	-	-	1,181,756	1,181,756	
Notes payables	4,099,526	-	-	-	4,099,526	4,099,526	
Accounts payables	19,844,806	-	-	-	19,844,806	19,844,806	
Debentures payable	53,589	13,000	1,938,901	-	2,005,490	1,811,041	
Other payables	6,082,931	-	-	-	6,082,931	9,252,834	
Current portion of non-current liabilities	10,741,873	-	-	-	10,741,873	10,511,189	
Other current liabilities	179,266	-	-	-	179,266	518,567	
Long-term borrowings	-	4,464,375	15,980,965	409,895	20,855,235	19,925,581	
Lease liabilities	-	81,854	247,542	303,842	633,238	501,737	
Long-term payables	-	92,475	-	-	92,475	92,475	
Other non-current liabilities	-	10,516	-	-	10,516	10,516	
	50,287,388	4,662,220	18,167,408	713,737	73,830,753	75,603,915	

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XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

3. Liquidity risk (Continued)

	31 December 2021					Total	Carrying amount at balance sheet date
	Undiscounted contractual cash flow						
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years			
Short-term borrowings	7,433,780	-	-	-	7,433,780	7,204,671	
Derivative financial liabilities	691,856	-	-	-	691,856	691,856	
Notes payables	5,215,721	-	-	-	5,215,721	5,215,721	
Accounts payables	17,504,738	-	-	-	17,504,738	17,504,738	
Debentures payable	47,922	-	1,425,901	-	1,473,823	1,234,980	
Other payables	6,308,272	-	-	-	6,308,272	6,308,272	
Current portion of non-current liabilities	12,756,755	-	-	-	12,756,755	12,434,293	
Other current liabilities	416,319	-	-	-	416,319	416,319	
Long-term borrowings	688,525	6,683,727	16,830,281	626,246	24,828,779	21,651,730	
Lease liabilities	-	87,827	188,997	241,959	518,783	442,036	
Long-term payables	-	1,105	-	-	1,105	829	
Other non-current liabilities	-	2,780	-	-	2,780	2,780	
	51,063,888	6,775,439	18,445,179	868,205	77,152,711	73,108,225	

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XV. FINANCIAL INSTRUMENTS AND RELATED RISKS (CONTINUED)

3. Liquidity risk (Continued)

- (1) As at the balance sheet date, the Group's financial guarantees provided to external parties are analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

30 June 2022				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
661,529	1,029,611	1,916,064	–	3,607,204

31 December 2021				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
342,224	851,286	1,541,392	–	2,734,902

- (2) As at the balance sheet date, the cash flows of lease contracts that the Group has signed but not yet executed are listed as follows based on the maturity date:

30 June 2022					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Future contractual cash flows not included in lease liabilities	–	–	–	–	–

31 December 2021					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Future contractual cash flows not included in lease liabilities	5,758	–	–	–	5,758

- (3) Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2022		31 December 2021	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	15,178,385	4,104,811	13,039,494	6,089,486
1 to 2 years	3,867,769	–	5,988,446	–
2 to 5 years	14,317,136	1,811,041	15,058,764	1,234,980
over 5 years	394,000	–	604,520	–
	33,757,290	5,915,852	34,691,224	7,324,466

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XVI. FAIR VALUE ESTIMATES

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

1. Assets and liabilities measured at fair value on a recurring basis

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2022:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instrument held for trading		926,692	–	–	926,692
Contingent consideration		–	–	9,919	9,919
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	167,453	–	167,453
Foreign exchange option contract		–	10,669	–	10,669
Receivables financing–	IV.6				
Bank's Acceptance Bill		–	–	657,388	657,388
Other equity investments –	IV.13				
Unlisted company stock		–	–	645,429	645,429
Listed company stock		408,650	–	–	408,650
Other non-current financial assets –	IV.14				
Equity Investment		–	–	350,556	350,556
Financial assets total		1,335,342	178,122	1,663,292	3,176,756
Non-financial assets					
Investment properties	IV.17	–	–	1,439,283	1,439,283
Total		1,335,342	178,122	3,102,575	4,616,039

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2022: (Continued)

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Trading financial liabilities		–	–	(45,516)	(45,516)
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(427,039)	–	(427,039)
Foreign exchange option contract		–	(3,617)	–	(3,617)
Commitment to minority shareholders		–	–	(751,100)	(751,100)
Financial liabilities total		–	(430,656)	(796,616)	(1,227,272)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2021:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instrument held for trading		376,599	63,902	–	440,501
Contingent consideration		–	–	4,931	4,931
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	536,659	–	536,659
Foreign exchange option contract		–	25,368	–	25,368
Receivables financing –	IV.6				
Bank acceptance bill		–	–	1,048,244	1,048,244
Investment in other equity instruments –	IV.13				
Unlisted company stock		–	–	658,263	658,263
Shares of listed companies		508,878	–	–	508,878
Other non current financial assets –	IV.14				
Equity investment		–	–	330,600	330,600
Total financial assets		885,477	625,929	2,042,038	3,553,444
Non financial assets					
Investment real estate	IV.17	–	–	1,386,085	1,386,085
Total		885,477	625,929	3,428,123	4,939,529

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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2021: (Continued)

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Held-for-trading financial liabilities		–	–	(38,134)	(38,134)
Derivative financial liabilities– Foreign exchange forward contract	IV.3	–	(22,999)	–	(22,999)
Foreign exchange option contract		–	(3,385)	–	(3,385)
Interest rate swap		–	(8,446)	–	(8,446)
Commitment to minority shareholders		–	–	(657,026)	(657,026)
Financial liabilities total		–	(34,830)	(695,160)	(729,990)

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There is neither transfer between Level 1 and Level 2 nor transfer between Level 2 and Level 3 for the current period.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, EBITDA multiplier and liquidity discount, etc.

The Group evaluates the fair value of investment properties. The methods primarily comprise rental income model and cost approach. The inputs mainly include rental growth rate, capitalisation rate and unit price, etc.

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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The above changes in Level 3 financial assets are analysed below:

	Financial assets held for trading, receivables financing, Other equity investments and Other non-current financial assets
1 January 2022	2,042,038
Addition	114,307
Decrease	(390,960)
– Gains or losses recognized in profit or loss	4,988
– Gains or losses recognized in other comprehensive income	(107,081)
30 June 2022	1,663,292

	Financial assets held for trading, receivables financing, Other equity investments and Other non-current financial asset
1 January 2021	2,565,537
Addition	264,519
Decrease	(769,900)
– Gains or losses recognized in profit or loss	–
– Gains or losses recognized in other comprehensive income	(18,118)
31 December 2021	2,042,038

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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the movement of the non-financial assets in Level 3:

	Investment properties
1 January 2022	1,386,085
Changes in fair value	3,216
Transferred from inventories, fixed assets and construction in progress	17,040
Increase	30,541
Translation difference of foreign currency statements	2,401
30 June 2022	1,439,283
	Investment properties
1 January 2021	1,437,970
Transferred from inventories, fixed assets and construction in progress	54,125
Total gains for the current period	25,927
Total current profits	7,697
– Gains or losses recognized in profit or loss	7,697
Disposals	(138,702)
Translation difference of foreign currency statements	(932)
31 December 2021	1,386,085

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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The changes of financial liabilities in Level 3 are as follows:

	Commitment to minority shareholders
1 January 2022	(657,026)
Addition	(94,074)
30 June 2022	(751,100)
	Commitment to minority shareholders
1 January 2021	(465,561)
Addition	(191,465)
31 December 2021	(657,026)

Gains or losses recognised in profit or loss are included in the income statement under the items of gains on changes in fair value, investment income and credit impairment losses respectively.

The Group's finance department is responsible for the valuation of financial assets, the independent verification and accounting of the valuation results, and the preparation of disclosure information related to fair value based on the verified valuation results.

Notes to the Financial Statements

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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the information of the assets measured at fair value in Level 2:

	30 June 2022 Fair value	Valuation techniques	Input value
Derivative financial assets	178,122	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk free interest rate
Derivative financial liabilities	(430,656)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk free interest rate
	(252,534)		
	31 December 2021 Fair value	Valuation techniques	Input value
Trading financial assets	63,902	Discounted cash flow	Expected interest rate; Contract interest rate; Risk free interest rate; Discount rate reflecting the credit risk of the issuer
Derivative financial assets	562,027	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk free interest rate
Derivative financial liabilities	(34,830)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk free interest rate
	591,099		

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVI. FAIR VALUE ESTIMATES (CONTINUED)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the information of the assets measured at fair value in Level 3:

	Fair value as at 30 June 2022	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,184,639	Income model	Monthly rental (RMB/square meter/ month)	6.61-75.49	(a)	Unobservable
Land use rights	254,644	Direct comparison	Rate of return/capitalization rate Market price (RMB/square meter)	4%-9% 484.27-1,011.68	(a)	Unobservable

	Fair value as at 31 December 2021	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,133,242	Income model	Monthly rental (RMB/square meter/ month)	6.61-75.49	(a)	Unobservable
Land use rights	252,843	Direct comparison	Rate of return/capitalization rate Market price (RMB/square meter)	4%-9% 484.27-1,011.68	(a)	Unobservable

(a) The relationship of unobservable inputs to fair value are as follows:

- The higher of the rate of return/capitalisation rate, the lower of fair value;
- The higher of the monthly rental, the higher of the fair value;
- The higher of the market price, the higher of the fair value;

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVI. FAIR VALUE ESTIMATES (CONTINUED)

2. Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities in the Group measured by the amortized cost method of including: accounts receivables, short-term borrowings, accounts payables, long-term borrowings, debentures payable and long-term payables etc.

As at 30 June 2022, all financial assets and liabilities are carried at amounts not materially different from their fair value.

XVII. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability of sustainable development in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital of the Group is shareholders' equity shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and use debt to asset ratio to monitor capital.

The Group monitors capital on the basis of Debt-Asset ratio. This ratio is calculated as total liabilities divided by total assets.

The Group manages capital status by controlling the Debt-Asset ratio not to exceed 70%. The Debt-Asset ratio as at 30 June 2022 and 31 December 2021 were as follows:

	30 June 2022	31 December 2021
Total liabilities	97,671,246	97,342,411
Total assets	158,350,629	154,322,501
Debt-Asset ratio	62%	63%

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2022	31 December 2021
Bank deposits	8,866,035	3,072,197
Other cash balances	11,876	24,461
	8,877,911	3,096,658
Including: cash abroad	-	-

As at 30 June 2022, restricted cash at bank and on hand of the Company amounted to RMB11,876,000 (31 December 2021: RMB24,461,000).

As at 30 June 2022, the deposit of the Company in the Financial Company, a subsidiary of the Group, was RMB8,775,601,000 (31 December 2021: RMB1,515,465,000). The Company had no fixed deposit in the Financial Company (31 December 2021: Nil).

2. Derivative financial instruments

	30 June 2022	31 December 2021
Derivative financial assets -		
Foreign exchange forward contracts	-	67,697
Foreign exchange option contracts	6,565	120
Derivative financial liabilities -		
Foreign exchange option contracts	2,353	939

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables

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

	30 June 2022	31 December 2021
Amounts due from related parties (Note XVIII. 3(6))	21,125,084	20,789,914
Dividends receivable	3,938,595	3,666,119
Interest receivable	69,219	69,535
Security deposits	237	210
Others	13,430	8,988
Sub-total	25,146,565	24,534,766
Less: provision for bad debts	(197,098)	(197,098)
	24,949,467	24,337,668

(2) The ageing analysis of other receivables is as follows:

	30 June 2022	31 December 2021
Within 1 year	14,513,021	15,401,870
1 to 2 years	4,518,699	3,754,225
2 to 3 years	1,445,788	964,908
Over 3 years	4,669,057	4,413,763
	25,146,565	24,534,766

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(3) Loss provision and changes in book balance

	First stage			Third stage			Total	
	Expected credit loss in the next twelve months (individually assessed)		Sub-total	Lifetime expected credit losses (suffered credit impairment) (individually assessed)		Lifetime expected credit losses (suffered credit impairment) (collectively assessed)		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	Book balance		Provision for bad debts
1 January 2022	23,992,648	-	-	537,538	192,518	4,580	4,580	197,098
Increase in current period	6,387,859	-	-	10,384	-	-	-	-
Reversal in current period	(5,765,931)	-	-	(20,513)	-	-	-	-
Including: write off in current period	-	-	-	-	-	-	-	-
Move to third stage	-	-	-	-	-	-	-	-
30 June 2022	24,614,576	-	-	527,409	192,518	4,580	4,580	197,098

As at 30 June 2022 and 31 December 2021, the Company had no other receivables that were recognized at the second stage. Other receivables recognized at the first and the third stage are as follows:

- (i) As at 30 June 2022 and 31 December 2021, the individually assessed provision for bad debts of other receivables in the first stage is analysed as follows:

	30 June 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual ratio	Amount	Amount	Accrual ratio
Amounts due from related parties	20,597,675	-	-	20,252,376	-	-
Dividends receivable	3,938,595	-	-	3,666,119	-	-
Interest receivable	69,219	-	-	69,535	-	-
Security deposits	237	-	-	210	-	-
Others	8,850	-	-	4,408	-	-
	24,614,576	-	-	23,992,648	-	-

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

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

- (ii) As at 30 June 2022 and 31 December 2021, the individually and collectively assessed provision for bad debts of other receivables in the third stage is analysed as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Individually assessed				Loss reserves are recognized according to the amount of lifetime expected credit losses
Due from related parties	527,409	36.50%	192,518	
Collectively assessed				
Others	4,580	100%	4,580	

- (4) There is no reversal or recovery of provision for the current period.

- (5) As at 30 June 2022, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	11,120,999	Within 1 year, 1 to 2 years	44.22%	-
Southern CIMC	fund transfer	2,619,193	Within 1 year, 1 to 3 years	10.42%	-
CIMC Raffles	fund transfer	1,868,216	Within 1 year, 1 to 3 years	7.43%	-
CIMC Financing Leasing	fund transfer, daily transfer	1,530,318	Within 1 year, 1 to 2 years	6.08%	-
SZ CIMC Investment	fund transfer	1,450,790	Within 1 year, 1 to 3 years	5.77%	-
		18,589,516		73.92%	-

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(5) As at 30 June 2022, the five largest other receivables are analysed as follows: (Continued)

As at 31 December 2021, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	11,233,604	Within 1 year, 1 to 2 years	45.79%	-
CIMC Raffles	fund transfer	3,462,518	Within 1 year, 1 to 3 years	14.11%	-
CIMC Financing Leasing	fund transfer, daily transfer	2,283,599	Within 1 year, 1 to 2 years	9.31%	-
Shenzhen CIMC Investment Holdings Limited ("SZ CIMC Investment")	fund transfer	1,137,334	Within 1 year, 1 to 3 years	4.64%	-
CIMC Haigong Investment	fund transfer	543,283	Within 1 year	2.21%	-
		18,660,338		76.06%	-

(6) Receivables from related parties

	Relationship with the Company	30 June 2022		31 December 2021	
		Amount	% of total balance	Amount	% of total balance
Associates of the Company	Associates	1,587,567	6.31%	149,784	0.61%
Total receivables from subsidiaries	Subsidiaries	19,566,054	77.81%	20,640,130	84.13%
		21,153,621	84.12%	20,789,914	84.74%

(7) Other receivables derecognized due to transfer of financial assets

As at 30 June 2022, there were no other receivables derecognized due to transfer of financial assets of the Company (31 December 2021: Nil).

(8) Amount of assets and liabilities recognized due to the continuing involvement of securitised other receivables.

As at 30 June 2022, there were no securitised other receivables (31 December 2021: Nil).

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Other equity investments

	30 June 2022	31 December 2021
Unlisted company equity	14,513,021	15,401,870
– BOCM Schroder	361,685	330,009
– CR Intermodal	272,044	310,699
– CIMC Intelligent Technology	11,700	11,700
	645,429	652,408

- (i) The Company has not participated in or affected the financial and operating decisions of the above companies in any way, so the Company has no significant impact on them. For the consideration of strategic investment, it is accounted as investment in other equity instruments.

5. Long-term equity investments

- (1) Long-term equity investments are analysed by categories as follows:

	30 June 2022	31 December 2021
Subsidiaries (2)	14,233,777	14,473,514
Less: impairment provisions for long-term equity investments	(1,430,593)	(1,430,593)
	12,803,184	13,042,921

There is no restriction on sale of the long-term equity investments held by the Company.

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For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

(2) Subsidiaries:

Company name	31 December 2021	Increase in current period	Decrease in current period	30 June 2022	Share holding (%) (Direct)	Voting rights (%) (Direct+ Indirect)	Impairment provided in the current period	Cash dividend declared
SCIMC	480,472	-	-	480,472	100%	100%	-	-
CIMC Hong Kong	1,690	-	-	1,690	100%	100%	-	-
CIMC SD	165,074	-	-	165,074	100%	100%	-	190,000
CIMC Vehicles	1,038,668	-	-	1,038,668	36%	57%	-	145,689
CIMC Management Training (Shenzhen) Co., Ltd.	48,102	-	-	48,102	100%	100%	-	-
CIMC Marine Engineering Academe Co., Ltd.	111,703	-	111,703	-	-	-	-	-
Finance Company	893,818	-	-	893,818	79%	100%	-	29,538
Shenzhen CIMC Investment Co., Ltd. ("SZ CIMC Investment")	140,000	-	-	140,000	100%	100%	-	-
Shenzhen Sky Capital Co., Ltd	190,000	-	-	190,000	95%	100%	-	-
Container Holding	5,043,682	-	-	5,043,682	100%	100%	-	5,274,535
COOPERATIE CIMC U.A	205,022	-	-	205,022	99%	100%	-	-
CIMC Wetrans	862,150	354,144	-	1,216,294	62.7%	62.7%	-	-
C&C Trucks	1,430,593	-	-	1,430,593	70%	70%	(1,430,593)	-
CIMC Offshore Holdings Engineering Co., Ltd.	261,800	180,000	-	441,800	100%	100%	-	-
Fortune	67,755	-	-	67,755	100%	100%	-	-
Dongguan Jiwang Industrial Park Co., Ltd.	30,000	-	-	30,000	100%	100%	-	-
Modular Investment	406,080	-	-	406,080	100%	100%	-	-
CIMC Technology	1,276,580	-	-	1,276,580	100%	100%	-	-
CIMC Capital Holdings Co., Ltd	150,000	-	-	150,000	100%	100%	-	-
CIMC Unit Load	500,000	-	-	500,000	100%	100%	-	-
CIMC Financing Leasing and its subsidiaries	1,170,325	154,202	816,380	508,147	21.32%	45.43%	-	-
Total	14,473,514	688,346	928,083	14,233,777			(1,430,593)	5,639,762

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Fixed assets

	30 June 2022	31 December 2021
Fixed assets	115,397	121,095
Disposal of fixed assets	804	832
	116,201	121,927

(1) Fixed assets

	Plants and buildings Self-used	Machinery and equipment Self-used	Office and other equipment Self-used	Total
Original cost				
31 December 2021	144,092	30,298	135,228	309,618
Transferred from construction in progress	-	-	-	-
Additions	-	1,422	447	1,869
Disposals	-	(768)	-	(768)
30 June 2022	144,092	30,952	135,675	310,719
Accumulated depreciation				
31 December 2021	66,278	19,149	103,096	188,523
Depreciation	2,147	1,371	3,972	7,490
Disposals	-	(691)	-	(691)
30 June 2022	68,425	19,829	107,068	195,322
Net book value				
31 December 2021	77,814	11,149	32,132	121,095
30 June 2022	75,667	11,123	28,607	115,397

The amount of depreciation accrued for fixed assets in January-June 2022 was included in the administrative expenses amounting to RMB7,490,000 (January-June 2021: RMB7,673,000).

The original cost transferred from construction in progress was nil (January-June 2021: RMB1,023,000).

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Fixed assets (Continued)

(2) Disposal of fixed assets

	30 June 2022	31 December 2021
Office and other equipment	804	832

7. Short-term borrowings

	30 June 2022	31 December 2021
Unsecured	-	360,000

As at 30 June 2022, the company have no short-term borrowings (interest rate for short-term borrowings as at 31 December 2021: 3.50%).

8. Taxes payable

	30 June 2022	31 December 2021
Value-added tax payable	6,196	10,967
Corporate income tax payable	1,867	1,867
Withholding individual income tax	1,278	1,042
Others	276	1,094
	9,617	14,970

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Other payable

(1) The analysis of the Company's other payables is as follows:

	30 June 2022	31 December 2021
Amounts due to subsidiaries	6,427,086	5,609,246
Dividends payable	2,480,559	–
Equity payment received in advance	–	1,469,467
Accruals	7,048	19,199
Amounts due to related parties	2,491	663
Quality guarantees	186	234
Others	20,538	18,438
	8,937,908	7,117,247

(2) Significant other payables aged over one year

Other payables aged over 1 year are mainly unpaid quality guarantees.

(3) Amounts due to related parties:

Company name	Relationship with the Company	30 June 2022	31 December 2021
Total amounts due to subsidiaries	Subsidiaries	6,427,086	5,609,246

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For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Deferred tax assets

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

	30 June 2022		31 December 2021	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Deductible losses	124,610	31,153	185,862	46,465
Employee benefits payable	–	–	–	–
Sub-total	124,610	31,153	185,862	46,465
Offsetting amount	(124,610)	(31,153)	(185,862)	(46,465)
Offsetting balances	–	–	–	–
Including:				
Amount expected to be reversed within 1 year (inclusive)		–		–

	30 June 2022		31 December 2021	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax liabilities:				
Derivative financial assets:				
Fair value gain on transfer day of investment properties	6,565	1,642	67,817	16,954
Sub-total	124,610	31,153	185,862	46,465
Offsetting amount	(124,610)	(31,153)	(185,862)	(46,465)
Offsetting balances	–	–	–	–
Including:				
Amount expected to be reversed within 1 year (inclusive)		–		–

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

14. Capital reserve

	31 December 2021	Increase in current period	Decrease in current period	30 June 2022
Capital surplus	3,279,637	-	-	3,279,637
Other capital reserve:				
- Exchange reserve on foreign currency capital	687	-	-	687
- Donated non-cash assets reserve	87	-	-	87
- Equity settled share- based payment	119,433	-	-	119,433
Others	(586,888)	-	-	(586,888)
	2,812,956	-	-	2,812,956

	31 December 2020	Increase in current period	Decrease in current year	31 December 2021
Capital surplus	3,279,637	-	-	3,279,637
Other capital reserve:				
- Exchange reserve on foreign currency capital	687	-	-	687
- Donated non-cash assets reserve	87	-	-	87
- Equity settled share- based payment	119,433	-	-	119,433
Others	(568,492)	-	(18,396)	(586,888)
	2,831,352	-	(18,396)	2,812,956

Notes to the Financial Statements

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15. Other comprehensive income

	Other comprehensive income in balance sheet			Other comprehensive income in the income statement from January to June, 2022			
	1 January 2022	Post-tax amount attributable to the Company	30 June 2022	Pre-tax amount incurred in current period	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss							
Changes in fair value of other equity investments	251,803	(6,979)	244,824	(6,979)	-	-	(6,979)
Item that may be reclassified subsequently to profit and loss							
The amount greater than the book value on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	87,614	-	87,614	-	-	-	-
Property revaluation reserve	43,754	-	43,754	-	-	-	-
	383,171	(6,979)	376,192	(6,979)	-	-	(6,979)

	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2021			
	1 January 2021	Post-tax amount attributable to the Company	31 December 2021	Pre-tax amount incurred in current year	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss							
Changes in fair value of other equity investments	220,930	30,873	251,803	30,873	-	-	30,873
Item that may be reclassified subsequently to profit and loss							
The amount greater than the book value on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	87,614	-	87,614	-	-	-	-
Property revaluation reserve	43,754	-	43,754	-	-	-	-
	352,298	30,873	383,171	30,873	-	-	30,873

Notes to the Financial Statements

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

16. Undistributed profits

	For the period from 1 January to 30 June 2022	2021
Undistributed profits at the beginning of the year	10,282,677	8,842,542
Add: net profit attributable to the Company for the current period	6,984,617	2,621,311
Less: influence of issuance of perpetual bonds	(23,335)	(175,272)
Less: appropriation for surplus reserve	-	-
Ordinary share dividends payable	(2,480,559)	(1,005,904)
Undistributed profits at the end of the period	14,763,400	10,282,677

Approved by the shareholders' general meeting on 28 June 2022, the Company distributed cash dividends to ordinary shareholders on 18 August 2022, at RMB0.69 per share (2021: RMB0.28 per share), totaling RMB2,480,559,000 (2021: RMB1,005,904,000).

17. Revenue and cost of sales

(1) Revenue and cost of sales

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Revenue from other operations	147,475	216,129
Cost of sales from other operations	-	3,097

(2) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June 2022		For the period from 1 January to 30 June 2021	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	139,166	-	205,887	-
Others	8,309	-	10,242	3,097
	147,475	-	216,129	3,097

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

18. Financial expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Interest expenses	300,578	351,469
Less: Interest income	(34,777)	(12,751)
Exchange losses	(282,934)	87,042
Others	2,359	9,134
	(14,774)	434,894

19. Expenses by nature

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Salary and wages	129,072	112,478
Agency fees	9,875	8,039
Office expenditure and operating expenditure	12,069	8,660
Software and system maintenance fee	6,643	7,081
Depreciation and amortization	15,533	17,224
Travel and communication costs	2,860	3,964
Advertising and stock certificate fee	5,416	1,717
Technical development expenditure	273	-
Other expenses	1,233	1,205
	182,974	160,368

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Investment income

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Income from long-term equity investment under cost method	5,639,762	4,455,476
Income earned during the holding period of other equity investments	50,000	40,000
Gains from disposal of long-term equity investment	1,029,424	-
Interest income and others	298,022	335,103
Gains from disposal of derivative assets/financial assets held for trading	53,145	73,777
	7,070,353	4,904,356

21. Non-operating expenses

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Others	85	-
	85	-

22. Income tax credits

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Current income tax calculated based on tax law and related regulations	-	-
Deferred income tax	-	-
	-	-

The income tax based on the applicable profit rate is adjusted to income tax expense based on the total profit of the consolidated income statement:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Profit before income tax	6,984,617	4,414,139
Income tax expenses calculated at applicable tax rates	1,746,154	1,103,535
Expenses not deductible for tax purposes	573	502
The tax effect of the current period's loss of unrecognized deferred income tax assets	-	19,832
Deductible losses in previously unrecognized deferred income tax assets	(324,286)	-
Income not subject to tax	(1,422,441)	(1,123,869)
Income tax expenses	-	-

Notes to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

23. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

(1) Reconciliation from net profit to cash flows from operating activities:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Net profit	6,984,617	4,414,139
Add: Depreciation of fixed assets	7,490	7,673
Amortization of intangible assets	7,861	5,942
Amortization of long-term prepaid expenses	182	3,609
Amortization of deferred income	(1,498)	(2,108)
Losses on disposal of fixed assets,	23	114
Losses on fair value changes	62,667	17,948
Financial expenses	5,754	102,218
Investment income	(7,070,353)	(4,569,254)
Increase in operating receivables	(646,643)	(3,528,795)
Increase in operating payables	584,743	3,372,476
Net cash flows from operating activities	(65,157)	(176,038)

(2) Net change of cash and cash equivalents:

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
Cash and cash equivalents at the end of the period	8,866,035	2,405,113
Less: cash and cash equivalents at the beginning of the year	3,072,197	892,464
Net increase/(decrease) in cash and cash equivalents	5,793,838	1,512,649

(2) Composition of cash and cash equivalents

	30 June 2022	31 December 2021
I. Cash		
Including: Cash at bank that can be liquidated at any time on demand	8,866,035	2,405,113
Other monetary fund that can be readily drawn on demand	-	-
II. Cash and cash equivalents at the end of the period that can be liquidated at any time on demand	8,866,035	2,405,113

Note: Aforesaid cash and cash equivalents excluded restricted cash.

Supplementary to the Financial Statements

For the period from 1 January 2022 to 30 June 2022
(All amounts in RMB'000 unless otherwise stated)

I. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the period from 1 January to 30 June 2022	For the period from 1 January to 30 June 2021
(Losses)/income from disposal of non-current assets	(5,755)	55,398
Government grants recognized in profit or loss for the current period	210,725	251,849
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investments gains arising from disposal of other equity instrument investments, other debt investments and other non-current financial assets, and gains or losses from changes in fair value of investment properties that are subsequently measured under fair value model, except for the effective hedging activities related to the Group's ordinary activities	(475,976)	640,635
(Losses)/income from disposal of long-term equity investment	(212,199)	12,625
Other non-recurring income and expenses other than the above items	43,194	34,968
Effect of income tax	112,568	(199,103)
Effect of minority interests (after tax)	168,377	(147,462)
Total	(159,066)	648,910

Note: Aforesaid non-recurring profit or loss items were presented at amount before taxation.

Basis for preparation of statement of non-recurring profit or loss

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings per share and return on net assets (2010 revised) and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

	Earnings per share					
	Weighted average return on net assets (%)		Basic earnings per share		Diluted earnings per share	
	For the period From 1 January to 30 June 2022	For the period From 1 January to 30 June 2021	For the period From 1 January to 30 June 2022	For the period From 1 January to 30 June 2021	For the period From 1 January to 30 June 2022	For the period From 1 January to 30 June 2021
Net profit attributable to ordinary shareholders of the Company	5.44%	10.09%	0.6996	1.1673	0.6893	1.1670
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	5.78%	8.52%	0.7439	0.9856	0.7336	0.9853

Chapter XII Other Reporting Data

I. REGISTER OF RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS DURING THE REPORTING PERIOD

√ Applicable □ Not Applicable

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Brief description on research
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Zhitong Caijing (智通財經) & CGS Joint Strategy Meeting for the New Year	Principal business performance, investment progress, recent industrial development performance and industry outlook	/
During the Reporting Period	Shenzhen	Strategy conference	Institutional investor	UBS Strategy Meeting	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Morgan Stanley, Select Equity	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Topsperity Securities Strategy Meeting	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Maple Brown	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Shenwan Hongyuan Online Strategy Meeting	Same as above	/
During the Reporting Period	Shenzhen	Offline meeting + online live streaming	Investor and media	UBS Securities, Guotai Junan Securities, CITIC Securities, GF Securities, CICC Securities, Morgan Stanley, Henan Yiluo Investment Management, CITIC - Prudential, etc.	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	CITIC Securities	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	CICC Securities	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Morgan Stanley	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	UBS	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Guotai Junan Securities	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	East Asia Qianhai Securities	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	ICA, etc.	Same as above	/
During the Reporting Period	Shenzhen	Online conference	Institutional investor	Tiger Securities	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	QHYJ Investment Management, CITIC Futures, Zhuoling Fund (卓嶺基金)	Same as above	/

Chapter XII Other Reporting Data

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Brief description on research
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Franchise Capital	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Yulan Capital (裕蘭資本)	Same as above	/
During the Reporting Period	Shenzhen	Online conference	Institutional investor	UBS, Morgan Stanley, Guotai Junan, China Merchants Securities, Tebon Securities, Yiluo Investment, etc.	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	Eastmoney Securities	Same as above	/
During the Reporting Period	Shenzhen	Strategy conference	Institutional investor	Huatai Securities strategy conference	Same as above	/
During the Reporting Period	Shenzhen	Tele conference	Institutional investor	CSC Financial	Same as above	/
During the Reporting Period	Shenzhen	Online conference	Institutional investor	BOCOM International, IGWT Investment, Qianhai Tang Financial Capital, Beijing Jinhailing Capital Management (北京金海嶺資管), Ming Dai Investment, Vanho Securities, Huajiu Equity Investment (華玖股權投資), etc.	Same as above	/
During the Reporting Period	Shenzhen	Strategy conference	Institutional investor	CITI-3rd Pan Asia Regional Investor Conference	Same as above	/
During the Reporting Period	Shenzhen	Strategy conference	Institutional investor	HSBC 16th Annual Transport & Logistics Conference	Same as above	/
During the Reporting Period	Hangzhou	Strategy conference	Institutional investor	Sinolink Securities Strategy Conference	Same as above	/
During the Reporting Period	Shenzhen	Strategy conference	Institutional investor	Guotai Junan Strategy Conference	Same as above	/
During the Reporting Period	Shenzhen	Offline meeting	Institutions, media and individuals	Huatai Securities, Vanho Securities, ZTF Securities, Shanghai Securities News, Zhitong Caijing Shareholders' representative, etc.	Same as above	/

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