

# CIMC 中集

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

A Share Stock Code: 000039

H Share Stock Code: 02039



## 2024 INTERIM REPORT



## Important Notice

The 2024 interim report (hereinafter referred to as this “Report” or the “2024 Interim Report”) has been considered and approved at the eleventh meeting of the tenth session of the Board in 2024. All Directors have attended the meeting to consider and approve this Report, and Mr. HU Xianfu (Vice-chairman) authorized Mr. DENG Weidong (Director) to exercise voting rights on his behalf.

The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that this Report is true, accurate and complete and does not contain any misrepresentations, misleading statements or material omissions and 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 period starting from 1 January 2024 and ended on 30 June 2024 (hereinafter referred to as the “2024 Interim Financial Report”) in this Report have not been audited.

Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board, Mr. ZENG Han, a vice president and the Chief Financial Officer (CFO), person-in-charge of accounting affairs and Ms. XU Zhaoying, the general manager of financial department, the head of accounting department, hereby warrant the truthfulness, accuracy and completeness of the 2024 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 2024 (six months ended 30 June 2023: 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.

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## Documents Available for Inspection

The following documents will be available for inspection at the headquarters of the Company in Shenzhen upon request by the relevant regulatory authorities and Shareholders in accordance with PRC laws and regulations or the Articles of Association:

- (I) The original copy and summary of the 2024 Interim Report of the Company signed by the Company's legal representative.
- (II) The original copy of the financial report 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.
- (III) The original copies of the documents and announcements of the Company published on the websites of "China Securities Journal", "Securities Times", "Shanghai Securities News", Cninfo and the Hong Kong Stock Exchange during the Reporting Period.

## Definitions

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

<b>Items</b>	<b>Definitions</b>
"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.
"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.
"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.
"Shareholder(s)"	The holder(s) of A share(s) and H share(s) of the Company.
"CSRC"	China Securities Regulatory Commission.
"SSRB"	The Shenzhen Securities Regulatory Bureau of the 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.
"Reporting Period" or "Period"	The six months from 1 January 2024 to 30 June 2024.
"Rules of Procedure for the General Meetings"	The Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.

## Definitions

“Rules of Procedure for the Supervisory Committee”	The Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd.
“Rules of 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.
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Hong Kong Listing Rules.
“Corporate Governance Code”	The Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules.
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.
“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.
“Shenzhen Capital (Hong Kong)”	Shenzhen Capital (Hong Kong) Container Investment Co., Ltd.
“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 second largest Shareholder of the Company.
“CIMC Container (Group) Co., Ltd.”	CIMC Container (Group) Co., Ltd., 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), the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (stock code: 301039) and a holding subsidiary of the Company. Its shares were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1839), and was delisted from the Hong Kong Stock Exchange at 4:00 p.m. on 3 June 2024.
“CIMC TianDa”	CIMC-TianDa Holdings Company Limited, a holding subsidiary of the Company.
“CIMC Wetrans”	CIMC Wetrans Logistics Technology (Group) Co., Ltd., a holding subsidiary of the Company.

## Definitions

“CIMC Transpack Technology”	CIMC Transpack Technology Co, Ltd., a holding subsidiary of the Company.
“CIMC Enric”	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), 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 Safeway Technologies”	CIMC Safeway Technologies Co., Ltd. (中集安瑞環科技股份有限公司), the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (stock code: 301559) and a holding subsidiary of the Company.
“CIMC LPT”	CIMC Liquid Process Technologies Co., Ltd. (中集安瑞醇科技股份有限公司), a holding subsidiary of the Company. The public transfer of its shares on the National Equities Exchange and Quotations commenced on 8 August 2024 (stock code: 872914).
“CIMC Finance Company”	CIMC Finance Co., Ltd., a holding subsidiary of the Company.
“Shenzhen Financial Leasing Company” or “CIMC Leasing”	Shenzhen Financial Leasing (Group) Co., Ltd. (深圳市融資租賃(集團)有限公司) (formerly known as “CIMC Financial Leasing Co., Ltd.” which was changed on 29 April 2024), an associate 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), an associate of the Company.
“Sinotrans & CSC”	Sinotrans & CSC Holdings Co., Ltd., together with its subsidiaries “Sinotrans & CSC Group”.
“China Merchants Port”	China Merchants Port Group Co., Ltd., together with its subsidiaries “China Merchants Port Group”.
“Liaoning Port”	Liaoning Port Group Limited (遼寧港口集團有限公司), together with its subsidiaries “Liaoning 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”.
“CMOEI”	China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (深圳市招商局海工投資有限公司), together with its subsidiaries “CMOEI Group”.
“SIPG”	Shanghai International Port (Group) Co., Ltd., together with its subsidiaries “SIPG Group”.

## 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.

<b>Items</b>	<b>Definitions</b>
EPC	Engineering Procurement Construction.
FPSO	Floating Production Storage and Offloading.
FLNG	Floating Liquefied Natural Gas System.
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.
MGC	Medium Gas Carrier.
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.
LoM	The abbreviation of Local Manufacture.
LTP	The abbreviation of Light Tower Production.



## 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 as “中集集團”)
English Name:	China International Marine Containers (Group) Co., Ltd. (Abbreviated as “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:	<a href="http://www.cimc.com">http://www.cimc.com</a>
Email Address:	<a href="mailto:ir@cimc.com">ir@cimc.com</a>
Unified social credit code:	91440300618869509J

## Chapter I Corporate Profile

### II. CONTACT PERSONS AND MEANS OF COMMUNICATION

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

### III. 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:	02039 · 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.

There were no changes in the Company's registered address, the Company's office address and its postal code, Company website, e-mail, stock exchange website, media or website of disclosure of interim report of the company, places at which this interim report is available and other relevant information during the Reporting Period. For details, please refer to the 2023 Annual Report.

## 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

Reason for retrospective adjustments or restatements: changes in accounting policies.

Unit: RMB thousand

Consolidated Income Statement Items	January – June 2024 (unaudited)	January – June 2023 (unaudited)	Changes from
			the same period of the previous year to the Reporting Period
Revenue	79,115,043	60,573,968	30.61%
Operating profit	2,115,476	1,645,039	28.60%
Profit before income tax	2,215,856	1,651,971	34.13%
Income tax expense	820,926	661,589	24.08%
Net profit	1,394,930	990,382	40.85%
Net profit attributable to shareholders and other equity holders of the Company	865,781	398,556	117.23%
Profit or loss attributable to minority shareholders	529,149	591,826	(10.59%)
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss	820,320	976,599	(16.00%)

Unit: RMB thousand

Consolidated Balance Sheet Items	30 June 2024 (unaudited)	31 December 2023 (audited)	Changes from the
			end of previous year to the end of the Reporting Period
Total current assets	104,788,954	88,439,976	18.49%
Total non-current assets	74,323,005	73,323,257	1.36%
Total assets	179,111,959	161,763,233	10.72%
Total current liabilities	86,246,962	78,985,163	9.19%
Total non-current liabilities	26,676,877	18,147,720	47.00%
Total liabilities	112,923,839	97,132,883	16.26%
Total equity attributable to shareholders	66,188,120	64,630,350	2.41%
Equity attributable to shareholders and other equity holders of the Company	49,876,812	47,857,805	4.22%
Minority interests	16,311,308	16,772,545	(2.75%)

## Chapter II Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

<b>Consolidated Cash Flow Statement Items</b>	<b>January – June 2024 (unaudited)</b>	January – June 2023 (unaudited)	Changes from the
			same period of the previous year to the Reporting Period
Net cash flows used in operating activities	<b>(1,446,907)</b>	(2,008,282)	27.95%
Net cash flows used in investing activities	<b>(3,694,391)</b>	(4,072,863)	9.29%
Net cash flows from financing activities	<b>6,538,194</b>	6,904,668	(5.31%)

### Reasons for Changes in Accounting Policies and Corrections of Accounting Errors

The Ministry of Finance of the People's Republic of China issued the "Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024" in March 2024, which provides that assurance-type warranty expenses should be included into cost of sales. As a result of the above-mentioned amendments to the accounting standards, the Company has made corresponding adjustments to relevant accounting policies previously adopted. The Group has adopted the retrospective adjustment method to make corresponding adjustments to the financial statement data for the comparable period. For details, please refer to note II. 34 to "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

### Key Financial Indicators

	<b>January – June 2024 (unaudited)</b>	January – June 2023 (unaudited)	Changes from the
			same period of the previous year to the Reporting Period
Basic earnings per share attributable to shareholders of the Company (RMB)	<b>0.16</b>	0.07	128.57%
Diluted earnings per share attributable to shareholders of the Company (RMB)	<b>0.15</b>	0.07	114.29%
Weighted average return on net assets (%)	<b>1.77%</b>	0.79%	0.98%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	<b>1.68%</b>	2.03%	(0.35%)
Net cash flows from operating activities per share (RMB)	<b>(0.27)</b>	(0.37)	27.03%

	<b>30 June 2024 (unaudited)</b>	31 December 2023 (audited)	Changes from the
			end of previous year to the end of the Reporting Period
Net assets per share attributable to shareholders and other equity holders of the Company (RMB) (Total shares based on ordinary shares outstanding at the end of the period)	<b>9.25</b>	8.87	4.28%

## 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 and the fully-diluted earnings per share based on the latest share capital:

The total share capital of the Company as of the trading day preceding the date of disclosure (shares)	5,392,520,385
Dividends paid for preferred shares	–
Provision for interests on perpetual bonds (RMB thousand)	47,545
Fully-diluted earnings per share based on the latest share capital (RMB/share) (Note)	0.15

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 – provision for interests on perpetual bonds)/latest number of ordinary shares.

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

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

Applicable  Not applicable

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

Applicable  Not applicable

### III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Applicable  Not applicable

Unit: RMB thousand

Items	January – June 2024 (unaudited)
Gains on disposal of non-current assets	604
Government grants recognised in profit or loss for the current period	213,985
Gains or losses from changes in fair value arising from holding financial assets, and gains or losses arising from disposal of 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 operating activities	(219,622)
Reversal of impairment provision for accounts receivable tested for impairment separately	12,379
Net gains from disposal of long-term equity investment	3,524
Other non-operating income and expenses other than the above items	93,429
Less: Effect of income tax	31,946
Effect of minority interests (after tax)	26,892
<b>Total</b>	<b>45,461</b>

Note: The above-mentioned non-recurring profit or loss items (except for the effect of minority interests (after tax)) are all presented as pre-tax. During the Reporting Period, the Company did not have any non-recurring profit or loss items, which were defined and listed in accordance with “Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss”, defined as recurring profit or loss items.

## Chapter III Management Discussion and Analysis

### 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, recycled load, 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 2024/25 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 2024 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 2023 Global OEM Ranking List published by the Global Trailer, CIMC Vehicles was the world's No. 1 semi-trailer manufacturer. 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.

The Group continued to consolidate its strategy of globalised deployment, with its research and development centres and manufacturing bases located in nearly 20 countries and regions around the world, and more than 30 overseas entities and enterprises, mainly in Europe and North America. Benefiting from the continuously consolidating foundation of its global operation platforms, the Group has been able to smooth out the risk fluctuations in a single region and achieve stable and quality development. During the Reporting Period, the Group's domestic revenue accounted for approximately 45.55% and its overseas revenue accounted for approximately 54.45%, maintaining a sound market landscape. The Group will closely follow the national strategic guidance and seize important opportunities such as new quality productive forces, the "Belt and Road", unifying the large market, technological innovation, and green development. It will achieve its goal of high-quality growth by consolidating and enhancing its industry-leading position in its existing core businesses and focusing on expanding multiple strategic emerging businesses to continuously create new value and new momentum.

## Chapter III Management Discussion and Analysis

### II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

#### 1. Overview

During the Reporting Period, the Group's revenue amounted to RMB79,115.043 million (same period in 2023: RMB60,573.968 million), representing a year-on-year increase of 30.61%. During the Reporting Period, the Group's net profit attributable to shareholders and other equity holders of the Company amounted to RMB865.781 million (same period in 2023: RMB398.556 million), representing a year-on-year increase of 117.23%. 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. 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 has been leading the world in terms of production and sales volume since 1996, and as a leader in the global container industry, its production bases cover all major coastal and inland ports in China. It has the capacity to produce a full series of container products with independent intellectual property rights, which mainly consists of standard dry containers, reefer containers and special-purpose containers. In particular, special-purpose containers mainly include North American domestic 53-foot containers, European pallet wide containers, bulk containers, special-purpose reefer containers, flatracks and other products. Currently, the main operating entity of the container manufacturing business is CIMC Container (Group) Co., Ltd. (中集集裝箱(集團)有限公司) and its subsidiaries. The Company holds 100% equity interest in CIMC Container (Group) Co., Ltd. as at 30 June 2024.

During the Reporting Period, global demand for goods trade picked up, and according to the latest data of Container Trade Statistics (CTS), global demand for container shipping increased by 7.1% year-on-year to approximately 89.6 million TEUs in the first half of the year; at the same time, uncertain events such as the Red Sea Incidents led to the detour of European routes, which lowered the efficiency of container transportation, and the demand for containers increased. As a result, during the Reporting Period, the production and sales volume of the Group's container manufacturing business witnessed a significant year-on-year increase. In particular, the accumulated sales volume of dry containers reached 1,382,700 TEUs (same period in 2023: 263,100 TEUs), representing a year-on-year increase of approximately 425.54%. The accumulated sales volume of reefer containers reached 44,700 TEUs (same period in 2023: 51,500 TEUs), representing a year-on-year decrease of approximately 13.20%.

During the Reporting Period, the container manufacturing business of the Group recorded a revenue of RMB24,950 million (same period in 2023: RMB13,668 million), representing a year-on-year increase of 82.54%, and a net profit of RMB1,276 million (same period in 2023: RMB768 million), representing a year-on-year increase of 66.25%.

## Chapter III Management Discussion and Analysis

- *Expand the road transportation vehicles business*



CIMC Vehicles, the main operating entity of the Group's road transportation vehicles business, is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. The Group held approximately 61.13% equity interests in CIMC Vehicles as at 30 June 2024.

In the first half of 2024, amid the background of sluggish industry and deepened crisis, CIMC Vehicles made concerted efforts to overcome challenges and difficulties, and recorded an operating result which outperformed its industry peers in adversity. CIMC Vehicles developed new quality productive forces in a proactive manner, promoted the structural reform and resource integration of production organizations, and held steadfast in high-quality development. During the Reporting Period, CIMC Vehicles achieved revenue of RMB10,700 million (same period in 2023: RMB13,470 million), representing a year-on-year decrease of 20.56%; achieved a net profit of RMB574 million (same period in 2023: RMB1,892 million), representing a year-on-year decrease of 69.66%, primarily due to (1) the return of the operation in North America to a normal level; (2) the significant increase in investment income as a result of the disposal of equity interests in Shenzhen CIMC Special Vehicles Co., Ltd. during the same period last year. Details of the principal operations during the Reporting Period are as follows:

**Global semi-trailer portfolio:** CIMC Vehicles operates seven key categories of semi-trailer products in four major markets around the world, comprising container chassis trailers, flatbed semi-trailers and their derivatives, curtain side semi-trailers, van semi-trailers, refrigerated semi-trailers, tank semi-trailers, and other special semi-trailers. During the Reporting Period, CIMC Vehicles sold 50,174 semi-trailers globally (same period in 2023: 62,243), and recorded a revenue of RMB7,601 million from its global semi-trailer business (same period in 2023: RMB10,268 million), representing a year-on-year decrease of 25.97%.

In the domestic market, the semi-trailer industry was gloomed by weak demands and downturn pressure. Supported by the "StarLink Project", CIMC Vehicles braved the challenges and reached a higher top by advancing the iteration of modular products, promoting the operation of order centre in an orderly manner, improving production planning and productivity, focusing on key products, such as container chassis trailers, flatbed semi-trailers and van semi-trailers, and low-threshold markets, and afterwards achieving breakthrough sales, with a year-on-year sales growth of 15.77%. According to data from Hanyang Institute (漢陽所), CIMC Vehicles secured a share of 14.12% in China's semi-trailer market and preserved the championship therefore. Among the key categories of "StarLink Project", flatbed semi-trailers and their derivatives recorded a year-on-year sales growth of over 50% in China's market, marking a significant improvement of market share.



## Chapter III Management Discussion and Analysis

In the overseas market, as the demand for semi-trailers in North America returned to normal, the sales volume of semi-trailers in North America experienced a year-on-year decline. Against the backdrop of ongoing inflationary pressures and high interest rates, the supply and demand in the North American semi-trailer market continued to be in a delayed-release situation. CIMC Vehicles has passed the EAPA investigation for container chassis trailers in the North American market, and maintained stable operation of the segments of van semi-trailers and refrigerated semi-trailers. Influenced by geopolitics and the Red Sea tensions, shipping routes were disrupted and suspended, resulting in rising ocean freight rates and tighter supply chains, which put pressure on the European semi-trailer market. While robustly promoting supply chain reorganisation and business consolidation in the European Market, CIMC Vehicles actively explored other markets and maintained the growth trend in the Australian market in the first half of the year.

**Portfolio of truck bodies for specialty vehicles:** CIMC Vehicles operates the truck bodies for specialty vehicles business, which covers the manufacture of concrete mixer truck bodies, urban dump truck bodies and heavy-duty truck bodies, and the sales of fully-assembled vehicles. The specialty vehicles market in China has been recovering slowly, but witnessing broader application of new energy vehicles. CIMC Vehicles actively expanded overseas markets while strengthening the domestic market, and achieved a year-on-year sales growth. During the Reporting Period, revenue from the business of manufacture of truck bodies for specialty vehicles and sales of fully-assembled vehicles amounted to RMB1,337 million (same period in 2023: RMB1,348 million), representing a year-on-year decrease of 0.78%. To respond to the rising demand for special new-energy vehicles, CIMC Vehicles, based on its cooperation with core OEMs, further advanced the development of new energy-powered products, has completed the commissioning and trial of industry-first integrated hybrid electric semi-trailer tractor mixer, and is now vigorously refining and upgrading the designs.

- *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 facilities and logistics equipment, fire safety and rescue equipment. As at 30 June 2024, the Group held approximately 58.34% equity interests in CIMC TianDa. The airport facilities and logistics equipment business mainly include passenger boarding bridges, airport ground support equipment, airport baggage handling systems, logistics handling systems and intelligent storage systems. The fire safety and rescue equipment business mainly covers comprehensive fire safety and rescue mobile equipment primarily based on various types of fire trucks, and also includes other fire safety and rescue equipment and services, such as various types of fire pump monitors, intelligent control and management systems for fire vehicles and various types of fire-fighting systems.

During the Reporting Period, the airport facilities and logistics equipment, fire safety and rescue equipment businesses of the Group achieved a revenue of RMB2,403 million (same period in 2023: RMB2,282 million), representing a year-on-year increase of 5.31%, and a net profit of RMB37 million (same period in 2023: RMB8 million), representing a year-on-year increase of 364.81%.

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During the Reporting Period, the increase in the acceptance and delivery of passenger boarding bridges and fire trucks had driven the increase in the revenue from the airport facilities and logistics equipment, and fire safety and rescue equipment businesses as compared with the same period last year, and total profit of the segment also increased year-on-year. In terms of newly signed orders, the demand in the airport facilities market continued to recover, and the program to issue RMB1 trillion treasure bonds in China boosted the rise in demand for fire safety equipment, owing to which newly signed orders maintained overall growth. In addition to strengthening the research and development and improvement of products and services, CIMC TianDa was even committed to improving its operating efficiency in recent years. By integrating production and marketing layouts both at home and abroad, it actively promoted integrated operations, thereby reducing overall operating costs and striving to maintain its own advantages and keep its long-term stable growth of profitability in a fiercely competitive, complex and changing market environment.

- *Leveraging the logistics services business*



CIMC Wetrans, the main operating entity of the logistics services business of the Group, is committed to “becoming a high quality and trustworthy world-class multimodal transport enterprise”. As at 30 June 2024, the Group held 62.70% equity interests in CIMC Wetrans. With its global network, CIMC Wetrans has established a multimodal transport product matrix that integrates “river, sea, land, railway and air transportation”, kept exploring ways to provide efficient, low-carbon and visual logistics services to customers, and provided professional and personalized logistics solutions to specific customers. CIMC Wetrans was awarded the “2024 Top 50 Logistics Enterprises in China” by the China Federation of Logistics & Purchasing in July 2024 once again.

During the Reporting Period, with domestic demand continuing to recover and external demand picking up, the demand for logistics services continued to grow steadily. Such a growth momentum, coupled with the impacts of the Red Sea Incidents which triggered detours for vessels, the restocking of inventories in Europe and the United States and the anticipated increase in tariffs to be imposed by the United States on certain commodities originating from China, led to an early arrival of peak seasons in the shipping and air freight markets characterized by booming trades and surging prices, the continuously expanding radius of road-rail combined transport and sea-rail combined transport, as well as a steady increase in the scale of international train freight service.

During the Reporting Period, the logistics services business of the Group realised a revenue of RMB14,089 million (same period in 2023: RMB9,132 million), representing a year-on-year increase of 54.28%, and a net profit of RMB204 million (same period in 2023: RMB55 million), representing a year-on-year increase of 274.74%. Both business volume and profitability of most products of the Group’s logistics services business recorded considerable year-on-year growth in the first half of the year, with more notable growth in the second quarter as compared to the first quarter.

During the Reporting Period, the Group’s logistics services business refined and reinforced its multimodal transport products, improved the quality of its services for major customers in the industry, built up its overseas service capabilities in an orderly manner, enhanced quality and efficiency with the aid of a “digital intelligence” hub, and mitigated risks with the help of digitalised risk control, thereby making progress in the midst of steady business development and fostering stability by making progress. In respect of sea transportation, the integrated layout of routes and cargo bookings demonstrated large-scale effect, and the cooperation with airlines showed a good trend of continuous increase in breadth and depth. In the first half of the year, the sea transportation business performed well due to the multiple measures and proactive responses, ranking

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CIMC Wetrans ranked as top 13 on the list of the 2024 Top 50 Ocean Freight Forwarders issued by Transport Topic, an authoritative magazine in the global logistics industry, and the third place among Chinese enterprises. In respect of railway transportation, a two-way logistics corridor in Central Asia has been laid out, marked by the debut of the “Bayannur-Tianjin” rail-sea freight. This “sunflower seed freight” opened up a new logistics channel for the direct transport of sunflower seeds from Inner Mongolia to countries around the world. In respect of air transportation, two new chartered flight routes have been opened up and the internal operation strategy has been improved to contribute to the year-on-year increase in trading volume and prices. In respect of the specialised logistics business, the dual circulations of import and export of the cold-chain business ranked among top three among Shenzhen counterparts in terms of export volume in the Southern China region. For yard and value-added service business, the Group enhanced its unified marketing efforts, rationalised the deployment of yard resources and continuously strengthened the adherence of its cooperation with shipping companies in order to cope with the complicated and changing market environment. At the same time, CIMC Wetrans implemented cost reduction and efficiency enhancement measures in all aspects of its business; as a result, both capital efficiency and manpower efficiency have improved year-on-year to some extent.

- *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 to facilitate carbon neutrality, which mainly provides professional recycled load R&D and manufacturing, shared operation service and comprehensive solutions for customers in industries including automobile, new energy power battery, photovoltaics, household appliances, fresh agricultural products, liquid chemicals, rubber and bulk commodities, etc. The recycled load business of the Group is carried out through CIMC Transportation Technology, in which the Group held approximately 63.58% equity interests as at 30 June 2024.

During the Reporting Period, the recycled load business of the Group achieved a revenue of RMB1,197 million (same period in 2023: RMB1,428 million), representing a year-on-year decrease of 16.18%, and a net loss of RMB49 million (same period in 2023: net loss of RMB28 million), representing a year-on-year increase in loss of 73.29%, mainly due to the decline of the manufacturing business as a result of the decrease in orders resulting from a downward demand of the new energy industry during the Reporting Period, which had a large impact on the overall performance. However, income from service business and net profit increased significantly, revenue from service business increased by 63% year-on-year, and net profit increased by 113% year-on-year. On the one hand, the bulk commodity business of phosphoric acid and sulfur, which CIMC Transportation Technology has newly entered, has developed rapidly and increased significantly. On the other hand, the reduction in one-off logistics costs incurred by the delivery of operating assets to customers in the first time has had a significant effect on the short-term profitability.

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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 energy, chemical and liquid food equipment, as well as provision of relevant technical and maintenance services.

During the Reporting Period, the Group's energy, chemical and liquid food equipment business achieved a revenue of RMB12,121 million (same period in 2023: RMB11,388 million), representing a year-on-year increase of 6.43%, and net profits of RMB242 million (same period in 2023: RMB435 million), representing a year-on-year decrease of 44.52%. The main operating entity of the Group's energy, chemical and liquid food equipment segment is CIMC Enric, in which the Group held approximately 67.60% equity interests as at 30 June 2024. During the Reporting Period, CIMC Enric registered a revenue of RMB11,480 million (same period in 2023: RMB10,760 million), representing a year-on-year increase of 6.7%, and a net profit of RMB500 million (same period in 2023: RMB570 million), representing a year-on-year decrease of 11.6%. The value of newly signed orders amounted to RMB16,400 million (same period in 2023: RMB12,670 million), representing a year-on-year increase of 29.5%, and the value of orders on hand as of the end of June amounted to RMB29,350 million (same period in 2023: RMB20,600 million), representing a significant year-on-year increase of 42.5%, reaching a record high. The segment operating results of CIMC Enric are as follows:\*

- (1) Clean energy segment had a steady growth of revenue. The Group realized a revenue of RMB7,880 million from the segment (same period in 2023: RMB6,290 million), a significant year-on-year increase of 25.1%. In the onshore clean energy sector, domestic natural gas apparent consumption and LNG imports both grew, and LNG prices remained economical compared to diesel. The demand for LNG storage and transportation equipment and LNG onboard cylinders and other equipment for end use surged. In the offshore clean energy sector, benefiting from the shipping replacement cycle and global shipping green upgrades, the market for small and medium-sized liquefied gas carriers remained highly prosperous. CIMC Enric secured 12 newbuilding orders for major ship types, including four 40,000 m<sup>3</sup> MGC ships, eight LNG carriers and LNG carrier and bunkering vessels. In the hydrogen business, CIMC Enric further increased its presence along the industry chain and enhanced its integrated service capability so that it could offer "production, storage, transportation, refueling and utilization" of hydrogen. In the upstream hydrogen sector, by project acquisition, CIMC Enric enhanced its engineering design and technical capabilities in comprehensive utilization of coke oven gas (i.e. process routes for hydrogen production, LNG, methanol, synthetic ammonia, etc.), as well as the business layout on the "production end". The first coke oven gas to hydrogen and LNG co-production project also commenced operation during the period. In terms of storage, CIMC Enric successfully won the bid for China's largest ammonia, hydrogen, alcohol tank project. In the first half of the year, the hydrogen business achieved a revenue of RMB450 million (same period in 2023: RMB270 million), representing a year-on-year increase of 65.2%.

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- (2) Chemical and environment segment is mainly operated by CIMC Safeway Technologies. The segment achieved a revenue of RMB1,300 million (same period in 2023: RMB2,450 million), representing a year-on-year decline of 47.1%. The global economy, including the chemical industry, showed a weak recovery trend, leading to a slowdown in market demand for tank container compared to the high growth of previous periods. The medical equipment components business developed steadily, and the after-market business continued to progress.
- (3) Liquid food segment is mainly operated by CIMC LPT. The segment achieved a revenue of RMB2,310 million (same period in 2023: RMB2,010 million), representing a year-on-year increase of 14.7%. During the period, as affected by weak global consumption, customers were more cautious about their capital expenditures, which led to delays in the delivery milestones of certain projects. In spite of this, domestic beer projects were progressed smoothly and their revenues were recognized according to delivery milestones and revenue from the liquid food segment achieved steady growth. The segment actively responded to market changes and seized growth opportunities in the domestic liquor market, winning bids for multiple liquor projects.

There is a business which is not consolidated into CIMC Enric in the energy, chemical and liquid food equipment segment of the Group. As the business recorded a loss due to underperformed overseas results in the first half of the year, the Group has established a special team to carry out the turnaround strategy during the Reporting Period, striving to improve the profitability of the business.

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



The Group is engaged in the offshore engineering business mainly through Yantai CIMC Raffles Marine Technology Group Co., Ltd. (the "Marine Technology Group"), in which the Group indirectly held approximately 80.04% equity interests as at 30 June 2024. The 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. Its major businesses include manufacture of oil and gas equipment with a focus on FPSO, construction of offshore wind power equipment with a focus on wind power installation vessels and booster stations and operation and maintenance of wind farms, and manufacture of special vessels, etc.

During the Reporting Period, the global shipping and offshore engineering market environment continued to improve, international oil prices were at a high level, which still has a promoting effect on the oil and gas production platforms, the continuous growth in marine operation activities drove the utilisation ratio of and the rental for offshore engineering equipment to be on the rise, and the offshore engineering equipment market continued to recover. 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 RMB7,784 million (same period in 2023: RMB4,119 million), representing a year-on-year increase of 88.95%, and a net loss of RMB84 million (same period in 2023: net loss of RMB182 million), representing a year-on-year decrease in loss of 53.70%.

In terms of new orders: the value of effective orders/orders won increased by 20.1% year-on-year to USD1,790 million (same period in 2023: USD1,490 million) as of the end of June, including two FPSO and three ro-ro ships. The accumulated value of orders on hand increased by 20.9% to US\$6,180 million (same period in 2023: US\$5,110 million), of which the proportion of oil and gas business, wind power installation vessels and ro-ro ships was approximately 2:1:1, which had effectively eased the periodic fluctuation of the oil and gas market, demonstrating that successful strategic transformation had been achieved.

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In respect of project construction and delivery: In January, the Naming and Delivery Ceremony of the Mero 3 FPSO Project was held at the Yantai base and the Closure Ceremony of P82 FPSO E-House module was also held; in February, the main engine of the BOREAS H567 Project, the world's latest generation of wind power installation vessel, was successfully commissioned, marking that the commissioning of the project has entered a substantial stage; in March, the 1,500-tonne self-propelled jack-up wind power installation platform held its launch ceremony; in April, the vessel 2# of the PCC-series of car carriers was successfully launched and afloat; in May, Norse Energi, which is the second vessel of the world's latest generation wind power installation vessels, had its keel-laying ceremony; in June, the delivery of Agogo FPSO upper process module was completed at the Haiyang base.

\* In the event of any inconsistency in mantissa between operating performance data of CIMC Enric and its segment in the English version disclosed above and that in the interim results announcement disclosed by CIMC Enric on 22 August 2024, it is attributable to the mantissa differences resulted from conversion of currency units.

### (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 existing offshore engineering platforms 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. The main operating entities are CIMC Finance Company and Offshore Engineering Asset Management Platform Company.

The Group's finance and asset management business achieved a revenue of RMB1,156 million (same period in 2023: RMB802 million), representing a year-on-year increase of 44.10%, and a net loss of RMB876 million (same period in 2023: net loss of RMB1,125 million), representing a year-on-year decline in loss of 22.15%, mainly due to the increase in the occupation rates and rentals of offshore engineering platforms during the Reporting Period as compared to the same period last year.

#### **CIMC Finance Company:**

During the Reporting Period, CIMC Finance Company continued to optimise its services and refine its management, explored in-depth the potential of pooling of funds, facilitated the implementation of various measures for management of pooled funds, vigorously promoted the functions of direct connection between treasury and enterprises and super online banking, strengthened the risk control of fund security and enhanced the efficiency of fund settlement of member enterprises. Focusing further on the Group's development strategies, CIMC Finance Company gave full play to its proximity to industrial enterprises, optimised the structure of fund supply, stepped up financial support for key areas, and responded quickly to the credit needs of member enterprises by providing them with credit facilities equivalent to RMB3,752 million in the first half of the year. By continuously expanding the coverage of the mode for centralized management of foreign exchange, namely "Foreign Exchange Manager", CIMC Finance Company has been able to assist the segment in foreign exchange risk management. It constantly improved the financial service system and enhanced its business services, so as to provide member enterprises with stable and efficient financial services, and to empower and improve the efficiency of high-quality development.

#### **Offshore engineering asset operation and management business of CIMC:**

During the Reporting Period, the offshore engineering vessels assets involved in the offshore engineering asset operation and management business of the Group included ultra-deepwater semi-submersible drilling platforms, semi-submersible drilling platforms for severe sea conditions, semi-submersible lifting/life support platforms, 400-foot jack-up drilling platforms and 300-foot jack-up drilling platforms.

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Due to the impact of the macro environment, international geopolitical conflicts and the adjustment of production strategies by OPEC+, international oil prices still fluctuated from USD75 to USD90 in general during the Reporting Period. Against the backdrop of global energy security and consumer demands, energy companies' upstream investments have not been affected to a noticeable extent and the offshore engineering market has remained active. As the jack-up platform market was affected by Saudi Aramco's surrender of platform tenancy with a number of international drilling contractors in April, it is expected that the international market will be under pressure in terms of daily rate and utilisation rate in the short term. The deep-water platform market has benefited from continued investment in development by international oil companies. According to Rystad's forecast, global capital spending on deepwater oil and gas drilling will increase 10% year-on-year, hitting the highest level in over 10 years. The increase in global demand and the reduction in drilling platform availability are jointly driving the continued growth in daily rates and utilisation rate. During the Reporting Period, Caspian Driller, one of the Group's jack-up drilling platforms, was granted a 3+2 year contract extension by the customer; Deepsea Yantai, one of the Group's mid-deepwater semi-submersible drilling platforms, was granted a contract extension by the customer, and the new leases increased by over 10% in daily rate as compared to the current contracts. The Group's on-lease platforms maintained their high quality services and occupation rates, and continued to provide customers with high quality and efficient services; the Group has also deployed its resources to have other assets actively participating in bidding on the international market.

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

- *Cold Chain Business*



During the Reporting Period, the Group's traditional cold chain business and innovative businesses both faced the industry pattern of intensified competition. On the one hand, the Group made every effort to consolidate its leading position in the industry, and enhanced its comprehensive competitive advantages through cost optimisation across the value chain and innovation in processes, in order to overcome the adverse impacts of intensified competition and increasing prices of raw materials. (1) In terms of incremental special containers, the Group built an enterprise-level science and innovation platform, and actively promoted the incubation of emerging products/businesses such as aviation containers, equipment assembly containers, and facility-based agriculture. In particular, RAP active temperature-controlled air containers have passed the airworthiness certification. (2) In terms of pharmaceutical cold chain, CIMC Cold Cloud was awarded the first place on two important industry lists, namely "Key Enterprises in Medical Device Transportation" and "Top 20 Enterprises in terms of Pharmaceutical Cold Chain Transportation Capability" in a row by the China Federation of Logistics and Purchasing in June 2024, topping the industry leader list for the second consecutive year. (3) In terms of fresh supply chain, CIMC Cold Chain continued to promote the development of on-farm cold chain projects. CIMC Cold Chain established a taro primary processing and pre-cooling storage centre in Lipu, Guangxi Province, and cooperated with the Guangdong Academy of Agricultural Sciences to innovate the post-harvest processing and storage technologies for taros of Lipu, which was successful in the trial and reduced taro wastage from 30% to below 10%.

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- *Energy Storage Technology*



On 14 May 2024, the National Energy Administration (NEA) released the Basic Rules for Operation of Electricity Market (《電力市場運行基本規則》), which formally included new types of operating entities, such as energy storage and virtual power plants, into the scope of operating entities in the electricity market, which demonstrated the nation's unwavering commitment to the development of new energy sources. Local governments have launched a series of regional electricity market policies aimed at increasing the proportion of participation of energy storage systems in regional electricity trading and auxiliary services. These policies have brought about new business opportunities, but also accompanied by fierce market competition. During the Reporting Period, the scale of the Group's energy storage business continued to grow steadily, with a foothold in China to serve the world. Driven by a mission of scientific and technological innovation and underpinned by intelligent manufacturing as the cornerstone, the Group provided customers with full-chain equipment solutions by capitalizing on CIMC's traditional strengths. (1) In terms of products, we cover a wide range of energy storage technology routes and product application scenarios, and provide a full range of services from product planning, design and testing to volume production; (2) in terms of integrated manufacturing, we provide customers with auxiliary solutions such as scaled production, scientific cost reduction and product testing and certification; and (3) in terms of diversified services, we rely on the Group's strengths in providing value creation in the areas of logistics, operation and overseas business expansion to jointly build an industrial ecosystem.

- *Modular Building Business*



In recent years, modular building has shown promising development and played an important role in promoting the transformation and upgrading of the construction industry. CIMC Modular actively participated in the formulation of national, industrial, and regional modular building-related standards, becoming a typical representative of the new productive forces in the construction industry. (1) Global market expansion and technological innovation: Thanks to CIMC Modular's continuous efforts in global market expansion, innovation, R&D design, supply chain management, production and manufacturing, on-site construction, quality assurance, and management processes, two of CIMC Modular's leading products were successfully included in the list of the Elite High-Tech Products in Guangdong Province. (2) Project progress: In April 2024, the topping-out ceremony was held for the Legislative Council Complex Extension Project in Hong Kong, where CIMC Modular provided integrated building modules. This project is the first in Hong Kong to use modular building methods to expand an existing public building. The newly signed EPC project for Yangzhou Bali Primary School will build a high-prefabrication and eco-friendly new school. Two new signed transitional housing projects in Hong Kong and an overseas apartment project are also progressing steadily. (3) Awards and honors: CIMC Modular was awarded the title of "Professional, Advanced, Specialized and New SME of Guangdong Province", as well as six major awards, including the "Outstanding Award for Excellent Contribution to Livable City Construction" from the Hong Kong Quality Assurance Agency.



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### (5) Capital Operations:

During the Reporting Period, the significant events of the Group in respect of capital operation were as follows: (1) in order to protect the value of the Company and interests of shareholders, the Company repurchased a total of 24,645,550 A shares at a price of RMB200 million by way of centralized bidding trading through its specific securities account for repurchase during the period from 15 January 2024 to 31 January 2024, and the repurchase of a portion of A shares has been completed; (2) considering the low trading volume and limited liquidity of CIMC Vehicles' H shares, and the repurchase of CIMC Vehicles' H shares can generate a one-off investment income to its H shareholders, CIMC Vehicles announced on 28 November 2023 that it proposed to proceed with the repurchasing and delisting of its H shares. Subsequently, its H shares have been officially delisted from the Hong Kong Stock Exchange on 3 June 2024, and the repurchase and cancellation of the H shares for which the offer had been accepted was completed on 7 June 2024; (3) on 28 June 2024, CIMC LPT, an indirectly controlling subsidiary of the Company, received a listing approval notice from the NEEQ System.

## III. FUTURE DEVELOPMENT AND PROSPECTS OF THE COMPANY

In the next five years, CIMC will follow the guidance of national policies based on the situation in the new development stage, and will also continue the implementation of the strategic theme of "accelerating the construction of new growth drivers and focusing on promoting high-quality development" and coordinate the reasonable growth of "quantity" and the effective improvement of "quality", so as to "become a high-quality and respected world-class enterprise".

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

#### (1) In the Logistics Field:

##### ***Container Manufacturing Business***

According to the prediction made by CLARKSONS (a global authoritative industry analyst) in July 2024, the growth of global container trade will significantly increase from 0.7% in 2023 to 5.1% in 2024, and in 2025, the global container trade is expected to see a further growth of 2.9%, which suggests an optimistic and stable outlook for the transportation demand in the container transportation market. The container transportation market is still facing a number of uncertainties in view of the ongoing impact of events such as the prolonged rerouting caused by the Red Sea Incidents and port strikes on the effective transportation capacity, container turnover efficiency and supply chain of global container transportation. In order to cope with the risk of container shortage brought about by these uncertain events, customers' willingness to spare containers will increase, coupled with the stable replacement rate of old containers, the demand for new containers is expected to be underpinned by the stable fundamentals during 2024-2025.

In the first half of 2024, CIMC Container took decisive action in response to the surging transportation demand in the container transportation market and the issue of lower container turnaround efficiency due to the detours caused by the Red Sea Incident. Internally, the Company enhanced its capacity layout, optimised production processes, stabilised resource supply, and adhered to QHSE standards, resulting in significant improvements in production efficiency and delivery capabilities. Externally, the Company closely followed market trends, actively adjusted its business structure, and strengthened the management of inefficient operations, further boosting overall operational efficiency and market competitiveness.

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### ***Road Transportation Vehicles Business***

As China's macroeconomic development enters a new normal state, the semi-trailer industry is embracing the new development concept and starting to build a new pattern of development. CIMC Vehicles has advanced its third venture development in a comprehensive manner, achieving breakthroughs and strengthening itself simultaneously. Under the premise of stabilizing the fundamentals of "intercontinental operation and local manufacturing", CIMC Vehicles is efficiently implementing its "StarLink Project", committing to breaking through before making achievements, improving the process of intercontinental operation and significantly enhancing the efficiency of intercontinental operation.

CIMC Vehicles will actively explore a way to forge new quality productivity through innovating the design and manufacturing technology of semi-trailers, promoting structural reforms of the production organisations of enterprises, optimising the allocation of excessive production capabilities and resources in the industry along with the internal and external circulations, so as to create a higher level of production, a better customer experience and a sustainable profitability, and to avoid low-quality competition in the industry at its root. All these efforts will, again, bring the semi-trailer industry into a new pattern of development.

In the second half of 2024, the Star-Chained Light Tower Pioneer Group of CIMC Vehicles will continue its efforts under the "StarLink Project", aiming to seize the high-quality development opportunities of semi-trailers in China, leading to a substantial growth in market share, sales, and profits of the domestic market. The Champion Tanker Business Group will actively promote product modularization, explore overseas markets and incubate innovative businesses to strengthen the Group's second growth curve. The North American business will resume the operation and delivery of container chassis trailers and implement strategic planning to promote the upgrading of the refrigerated semi-trailer business in North America, deepen the level of localized operation, and enhance the business resilience. The European and other business will capitalize on its strengths in intercontinental operations and global supply chain, improve the layout of LoM manufacturing plants and increase production efficiency. Meanwhile, the European and other business will actively explore new businesses and products, and introduce new development opportunities. The truck bodies for specialty vehicles business will continue to maintain a leading position in the niche market, focus on cost reduction and efficiency enhancement, take the advantages of LTP + LoM delivery to expand its market share and enhance its profitability.

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

**In respect of the airport facilities and logistics equipment business:** The airport equipment market has entered a recovery period, which was mainly due to the demand for construction of new civil airports, intelligitization of equipment, environmental protection transformation and other upgrade and replacement. However, as large-scale new projects were completed successively, there was a trend of slowing growth in the future. CIMC TianDa has been committed to researching and developing new products that cater to the market, which may not only maintain its leading position in the industry but also may promote the stable development of the market. In particular, the unmanned automatic boarding bridges (Level L3 and L4 bridges), which were successfully put into commercial use for the first time in the world a few years ago, has been favoured by many domestic and international airports, bringing a large number of orders to the Group successively. In addition to the boarding bridges, CIMC TianDa continuously explored new paths for the development of airport business. For example, CIMC TianDa carried out the research and development of ground static power for aircraft through its project company, which further expanded a new market segment for the Group and increased the profit margin of the Group. In terms of logistics equipment business, CIMC TianDa will continue to develop towards the logistics automation system industry solution provider, actively expand the application scenarios and fields of its core technology, and truly create value for customers.

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**In respect of the fire safety and rescue equipment business:** Since the reform of the establishment of the firefighting department, the domestic firefighting teams at all levels have become increasingly professionalised. Coupled with the transformation of the “Emergency Responses for All Kinds of Disasters”, there has been an increase in the market demand for a wider range of firefighting and rescue products, especially professional rescue equipment for specialised scenarios such as water rescue, forest rescue, mountain rescue, petrochemical and logistic support, etc. In addition, pursuant to the state’s plan to invest substantially in the implementation of major strategies and the construction of safety capacity in key areas, the demand for firefighting equipment is expected to increase in the future, which will also attract more new players and intensify market competition. CIMC TianDa will continue to focus on “smart fire safety” as the foundation as always, enriching its product categories vertically and horizontally, proactively tracking its customers, enhancing management and improving operating efficiency, in order to capture the largest market share.

### ***Logistics Services Business***

In the second half of 2024, the marine transportation market is set to enter its traditional peak season, but the external environment will become more complicated and severe, with uncertainties and instability rising due to multiple factors such as the Red Sea incidents, port congestion and strikes by terminal workers in Europe and the United States. In late July, the demand for freight transport showed a peak and declining trend, and prices of a number of shipping routes retreated, and the logistics services business of the Group will pay close attention to the changes in the market conditions to maintain flexibility and adaptability.

In the second half of 2024, The Group’s logistics services business will continue to maintain its strategic determination and internal momentum. The marine transportation business will enhance profitability through coordinated and centralized procurement, marketing integration and management improvement; the railway business will increase the creation and marketing of professional products and synergise with the marine transportation business; the air transportation business will focus on the enhancement of the scale of its business and the optimisation of its product structure, and will continue to increase its controllable transportation capacity; and the external deployment will be oriented by the needs of its customers, and will strengthen its overseas service capability by adopting an industrial development mindset, and vigorously explore the inland direct passenger market by utilising sea and rail resources. At the same time, we will accelerate the development of our own technology ecosystem and continue to promote lean management to reduce costs and increase efficiency.

### ***Recycled Load Business***

In the second half of 2024, within the key target markets of the load business, the automotive sector is expected to show weak overall demand, with growth primarily in the export market. Industries such as rubber, chemicals, aluminum and phosphates are anticipated to experience slight growth.

The operation focus of CIMC Transportation Technology for the second half of the year will remain on internal enhancements, continuously improving the profitability of service business through operation optimisation. Additionally, the Company aims to boost manufacturing profitability by enhancing order acquisition capabilities, promoting lean management improvements, undertaking technological upgrades of manufacturing production lines, optimising the organisational structure of manufacturing enterprises, and managing receivables risk.

## Chapter III Management Discussion and Analysis

### (2) In the Energy Industries Field:

#### ***Energy, Chemical and Liquid Food Equipment Business***

**Clean energy segment:** As a clean, stable and safe transitional energy, LNG plays an important role in the global energy transformation. The latest report of Goldman Sachs Group predicts that by 2029, global investment in LNG is expected to increase by more than 50%, and global LNG supply will surge by 80% by 2030. In the domestic market, the International Energy Agency (IEA) predicts that by 2030, China's share in the effective LNG contracts will be doubled, increasing from 12% in 2021 to about 25%. As a leading enterprise of advanced intelligent manufacturing of clean energy equipment, driven by the increase in LNG demand, CIMC Enric is expected to continue to benefit from the related storage and transportation equipment and engineering business, and will continue to expand business opportunities in overseas markets such as Southeast Asia, Africa and the Middle East. In the field of offshore clean energy, with the upgrading of environmental protection requirements, new shipbuilding with alternative fuels such as LNG, methanol and liquid ammonia has grown steadily around the world. With the implementation of the Implementation Rules for Scrapping and Updating Subsidies for Old Operating Ships in Transportation (《交通運輸老舊營運船舶報廢更新補貼實施細則》) in China, the upgrade and replacement of old ships are expected to be accelerated, driving the demand for LNG-powered ships, LNG marine tanks and power packs and LNG shore refueling to continue to grow. In the field of hydrogen energy, at present, hydrogen energy has been legally determined as an important part of China's national energy system, and is an important carrier for the energy-consumption side to realize green and low-carbon transformation and the development direction of strategic emerging industries. CIMC Enric will continue to deepen the whole industrial chain layout and integrated solution capability of "production, storage, transportation, refueling and utilization", pay attention to the changes and opportunities in the hydrogen energy market, focus on strengthening the replication and promotion of the business model of upstream coke oven gas-to-hydrogen LNG cogeneration, promote the application of digital intelligence technology in the "end-to-end" scenario of clean energy, help the steel industry save energy and reduce carbon, and inject new quality productivity into traditional industrial fields.

**Chemical and environment segment:** According to the statistics of the International Tank Container Organisation (ITCO), by the end of 2023, there were 848,000 tank containers in the global market, and the global tank container market showed a spiral growth trend from 2013 to 2023, with an average compound annual growth rate of 8.7%. In the long run, the tank container market will maintain a spiral upward trend, and progress to a safer, more economical, more environmentally friendly and smarter green logistics model. At the same time, the policy of encouragement on domestic multimodal transport is expected to further promote the application of tank containers in the domestic market. With several years of production technology and quality management experience in the field of tank container manufacturing, the segment has entered the business of medical equipment components, becoming a core supporting supplier of medical imaging equipment, and more efforts will be put into the development in this field in the future.

**Liquid food segment:** Facing the changeable market, the segment continued to pay attention to the development opportunities of new tracks such as domestic spirits, improved the level of automation and intelligence, helped customers achieve sustainable development goals, and continued to focus on the development layout of multiple categories such as biomedicine. In the long run, the overseas beer and spirits market will positively develop, most customers' investment decisions will be restored, and the segment will actively pay attention to the changes in the global market and seize the development opportunities.

## Chapter III Management Discussion and Analysis

### ***Offshore Engineering Business***

**In respect of the oil and gas platform business:** the relatively high oil prices continue to stimulate oil and gas production platforms. Considering market supply and demand prospects, the offshore engineering construction market is evidently entering an upward cycle. The FPSO/FLNG market has high short-term demand and ample long-term project reserves. It is anticipated that offshore engineering manufacturers will maintain high capacity utilisation rate over the next 3–5 years. Leveraging their advantage in industrial cluster effect, the offshore engineering manufacturers in China are competing for orders with high technical threshold with those in Japan and South Korea. **In respect of the clean energy business:** carbon neutrality brings major development opportunities for the industry. Offshore wind power, hydrogen energy utilisation, offshore photovoltaics will form a colossal industry scale, which will further consolidate the transformation of global offshore engineering equipment. The global offshore wind power will maintain sustainable and rapid development in the long run. **In respect of the ro-ro ship business:** the supply and demand are gradually stabilising, but ageing vessels suffer from low operational efficiency and high energy consumption and emissions. 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 stable demand in the newbuilding market of ro-ro ships for the next two years.

In the second half of 2024, the Group's offshore engineering business will continue to actively promote transformation, 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 business portfolio that dilutes the impacts of industrial cycle. On the whole, with continuous breakthroughs in technical thresholds and capacity in securing orders, the oil and gas platform business has currently obtained the general contracting qualification for engineering procurement construction (EPC) of Petrobras's offshore oil and gas platform. The clean energy business will continue to take advantage of the strengths in design and construction of high-end offshore engineering equipment, focusing on offshore wind power assembly and wind power operation and maintenance businesses. In respect of the ro-ro ship business, the Marine Technology Group of the Group will seize market opportunities to expand its advantages in the market. Risks will be strictly controlled and lean management will be implemented while maintaining the fundamental of continuous and quality growth of orders and ensuring contract fulfillment and delivery, so as to improve the quality and efficiency of operations.

### **(3) Finance and Asset Management Business:**

#### ***CIMC Finance Company***

As macroeconomic regulatory policies continue to take effect in the second half of 2024, the financial sector will persistently support economic recovery, maintaining relatively low financing costs for enterprises. CIMC Finance Company will uphold its original intention of "relying on and serving the Group", closely aligning with the Group's industrial realities. While strictly adhering to compliant operations, we will solidify core businesses, innovate development strategies, and advance proactive, forward-looking and precise services. We aim to continuously enhance the quality and effectiveness of our service to the real economy, improve capital utilisation efficiency, ensure fund security, and facilitate cost reduction and risk prevention for the Group.

## Chapter III Management Discussion and Analysis

### ***Offshore Engineering Asset Operation and Management Business of CIMC***

According to data from international research institutions such as Rystad, global oil supply and demand will maintain a tight balance in the second half of 2024, with international oil prices continuing to fluctuate due to supply-demand dynamics and geopolitical conflicts. Global upstream exploration and development capital expenditure will continue to grow, keeping the offshore engineering market active and driving the recovery of daily rates and utilisation rates.

In the second half of 2024, the offshore engineering asset operation and management business of CIMC will continue to capitalise on the active cycle in the offshore engineering market and fully utilise the advantages in the entire industrial chain to advance market development, thereby improving asset rental rates and advancing asset sales to collect funds. By focusing on customer needs, the Group will enhance customer satisfaction and explore future cooperation opportunities. Through lean management, the Group will continuously strengthen cost control and core competitiveness, promoting steady growth in profitability.

## 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.

**Risk of trade protectionism and anti-globalisation:** the rise of global trade protectionism disrupted national policy stances and posed a threat to the growth of global trade. 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. The increased volatility and frequency of the exchange rate of RMB against USD which may be resulted from the continuous fluctuation of the global financial market will pose new challenges to the foreign currency and capital management of the Group.

**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.

## Chapter III Management Discussion and Analysis

**Employment and environmental protection pressure and risks:** with demographic changes in China and decreasing demographic dividend, China's manufacturing industries see constantly soaring labour costs, and 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 this year, the Federal Reserve has shown no signs of pausing rate hike which leads to tight commodity inventory. Meanwhile, the global economy presents a trend of regional differentiation, and supply and demand and price will also become complicated and volatile, which bring uncertainties to the Group's operating result.

### IV. ANALYSIS OF CORE COMPETITIVE ADVANTAGES

#### Development Philosophies of Globalisation

The Group has always been committed to globalised business deployment, leveraging on its global network and brand advantages accumulated over 40 years. 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, 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 global competitive edges. The efficient implementation of globalised business deployment effectively offset the adverse impact from periodic fluctuations of the global market in recent years on the Group's results.

#### A Scientific and Efficient Corporate Governance Mechanism

Relying on its unique mixed-ownership advantage, CIMC has built a balanced shareholding structure and a standardized "Three Boards and one Management" governance mechanism to ensure efficient decision-making and effective governance. The innovative governance model is reflected in the diversified and professional board structure and efficient operation mechanism, with the in-depth participation of directors and supervisors and enhanced prior communication to ensure scientific decision-making. By continuously optimising the corporate governance system, the Group has formed an internal and external interactive supervisory mechanism, combined with rigorous implementation of internal audit and control, to ensure that the strategies are scientifically and effectively executed. The distinctive governance practices and market-oriented governance enable CIMC to energize the management's vitality and focus on market orientation, laying a solid foundation for the Group to move forward steadily in global competition.

#### Intelligent Manufacturing Operating and 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.

## Chapter III Management Discussion and Analysis

### 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. During the year, 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.

### Continuous Innovation and 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. The Group will focus on the four high-quality characteristics of “excellent products, leading innovation, outstanding brands and modern governance” to strengthen technological innovation and digital construction, promote intelligent manufacturing, smart products and platform services, persistently improve independent innovation capabilities, strengthen R&D layout, and build CIMC’s core competitiveness in various business fields through technological innovation and product upgrades, with a view to creating a championship product cluster. During the Reporting Period, the Group newly applied for 368 patents (of which 133 are invention patents), maintained 5,618 valid patents in total. As at the end of June 2024, 13 companies under the Group 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). During the Reporting Period, CIMC Container (Group) Co., Ltd. and its subsidiary, Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd., were included in the eighth batch of national single-discipline champion demonstration enterprises, as an acknowledgement of their leading positions and innovation expertise in their respective fields. As at the date of this report, CIMC has garnered 8 National Single-Discipline Champion Enterprises (Products) in the Manufacturing Industry. In April 2024, the Ministry of Industry and Information Technology announced the 2023 Pilot Demonstration Projects for Industrial Internet, and Qingdao CIMC Reefer Container Manufacture Co., Ltd. under the Group was selected as a 5G factory. This is the second 5G factory of the Group recognized by the Nation after Ningbo CIMC received the same recognition, marking the Group’s leading position in promoting the deep integration of industrial internet and intelligent manufacturing. Meanwhile, the Group and its subsidiaries were recognized by a number of industry awards and authoritative certifications during the Reporting Period.

### Good Brand Image

With more than 40 years of commitment to manufacturing, CIMC has become a leader in various sectors including container manufacturing, road transportation vehicles, energy, chemical and food equipment, airports equipment and offshore engineering. Currently, more than 80 kinds of products under the “CIMC” brand are exported to more than 100 countries and regions all over the world, and a number of champion/star products such as containers, semi-trailers, drilling platforms, boarding bridges of CIMC have become shining business cards endorsing the brand of CIMC, earning global reputation and respect for “Made in China” products. At present, CIMC ranks 72nd on the “2024 China Listed Companies Brand Value List (TOP100 Overall List)” launched by Daily Economic News and the China Enterprise Research Center of Tsinghua University’s School of Economics and Management, and CIMC has become a globally renowned brand with extensive influence in the global logistics and energy industries.





## Chapter III Management Discussion and Analysis

### (2) Indicators by industry, business and region for the same period of previous year

Unit: RMB thousand

Indicators for January - June 2023	Revenue	% of revenue	Year-on-year change in revenue	Cost of sales	% of cost of sales	Year-on-year change in cost of sales	Gross profit	Gross profit margin	Year-on-year change in gross profit margin
<b>By industry/product</b>									
Containers manufacturing	13,667,707	22.56%	(39.97%)	11,425,772	21.80%	(34.64%)	2,241,935	16.40%	(6.81%)
Road transportation vehicles	13,469,630	22.24%	20.31%	10,940,469	20.87%	10.01%	2,529,161	18.78%	7.60%
Energy, chemical and liquid food equipment	11,388,087	18.80%	18.69%	9,580,748	18.28%	19.04%	1,807,339	15.87%	(0.24%)
Offshore engineering	4,119,440	6.80%	60.41%	3,790,182	7.23%	66.26%	329,258	7.99%	(3.24%)
Airport facilities and logistics equipment, fire safety and rescue equipment	2,282,085	3.77%	(11.82%)	1,797,180	3.43%	(11.52%)	484,905	21.25%	(0.27%)
Logistics services	9,131,975	15.08%	(47.15%)	8,513,762	16.24%	(47.62%)	618,213	6.77%	0.85%
Recycled load	1,428,313	2.36%	(57.90%)	1,252,737	2.39%	(54.88%)	175,576	12.29%	(5.88%)
Finance and asset management	802,038	1.32%	(30.24%)	967,521	1.85%	2.74%	(165,483)	(20.63%)	(38.72%)
Others	6,005,347	9.91%	61.14%	5,748,864	10.97%	67.88%	256,483	4.27%	(3.84%)
Combined offset	(1,720,654)	(2.84%)	19.45%	(1,604,810)	(3.06%)	(19.15%)	(115,844)	6.73%	(0.35%)
<b>Total</b>	<b>60,573,968</b>	<b>100%</b>	<b>(16.02%)</b>	<b>52,412,425</b>	<b>100.00%</b>	<b>(14.36%)</b>	<b>8,161,543</b>	<b>13.47%</b>	<b>(1.68%)</b>
<b>By region (by geographical locations of customers)</b>									
China	31,259,574	51.61%	(16.50%)	-	-	-	-	-	-
America	12,164,836	20.08%	(5.90%)	-	-	-	-	-	-
Europe	8,507,019	14.04%	(42.72%)	-	-	-	-	-	-
Asia (excluding China)	6,835,185	11.28%	14.07%	-	-	-	-	-	-
Others	1,807,354	2.99%	96.50%	-	-	-	-	-	-
<b>Total</b>	<b>60,573,968</b>	<b>100.00%</b>	<b>(16.02%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The 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

## Chapter III Management Discussion and Analysis

### Year-on-year changes in key financial data

Unit: RMB thousand

	During the Reporting Period	During the same period of last year	Year-on-year change	Reason for change
Revenue	79,115,043	60,573,968	30.61%	For reasons for change, please refer to the relevant contents of the section headed "II. Review of the Principal Businesses During the Reporting Period" in this chapter.
Cost of sales	70,628,816	52,412,425	34.76%	For reasons for change, please refer to "(1) Indicators by industry, business and region for the Reporting Period" in this chapter.
Selling and distribution expenses	1,185,230	1,127,903	5.08%	–
General and administrative expenses	3,280,583	2,936,470	11.72%	–
Financial expenses	522,940	130,985	299.24%	Mainly due to the considerable net exchange gains during the same period last year.
Income tax expenses	820,926	661,589	24.08%	–
Research and development expenses	1,125,895	1,119,777	0.55%	–
Asset impairment losses	25,972	100,416	(74.14%)	Mainly due to the larger impairment losses on inventories provided for the same period last year.
Investment income	126,134	74,084	70.26%	Mainly due to the year-on-year decrease in investment losses on disposal of derivative financial instruments during the Period.
Fair value losses	(249,762)	(1,125,670)	77.81%	Mainly due to the year-on-year decrease in fair value losses on derivative financial instruments during the Period.
Net cash flows used in operating activities	(1,446,907)	(2,008,282)	27.95%	–
Net cash flows used in investing activities	(3,694,391)	(4,072,863)	9.29%	–
Net cash flows from financing activities	6,538,194	6,904,668	(5.31%)	–

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

Applicable  Not applicable

## Chapter III Management Discussion and Analysis

### 2. Analysis of Non-Principal Businesses

√Applicable    □Not Applicable

Unit: RMB thousand

Items	Amount	Percentage in total profit	Explanation on the formation	Sustainable or not
Asset impairment losses	25,972	1.17%	Mainly represents the impairment losses on contract assets, impairment losses on inventories and goodwill.	No
Credit impairment losses	50,635	2.29%	Mainly represents bad debt loss of trade receivables.	No
Investment income	126,134	5.69%	Mainly represents gains from long-term equity investments adjusted by equity method during the Period.	No
Fair value losses	(249,762)	(11.27%)	Mainly represents loss arising from change of fair value of derivative financial instruments during the Period. For details of the Group's investments in derivative financial instruments during the Reporting Period, please refer to "(3) Derivatives investments" of "4. Financial asset investments" under "VI. Investment Analysis during the Reporting Period" in this chapter.	No
Non-operating income	126,380	5.70%	Mainly represents compensation income, penalty income and unpayable payables.	No
Non-operating expenses	26,000	1.17%	Mainly represents losses on scrapping of fixed assets and claims expenses.	No

## Chapter III Management Discussion and Analysis

### 3. Significant changes in assets and liabilities

Unit: RMB thousand

Items	At the end of the Reporting Period		At the end of the previous year		Change (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Cash at bank and on hand	21,777,817	12.16%	21,324,451	13.18%	2.13%	–
Financial assets held for trading	2,488,911	1.39%	337,756	0.21%	636.90%	Mainly due to the purchase of wealth management products by the Group headquarters during the Period.
Derivative financial assets	50,499	0.03%	301,355	0.19%	(83.24%)	Mainly due to the change in fair value of derivative financial instruments during the period.
Accounts receivables	32,134,964	17.94%	22,949,473	14.19%	40.02%	Mainly due to the increase in the revenue scale of the Group during the Period.
Contract assets	8,509,410	4.75%	7,198,173	4.45%	18.22%	–
Inventories	22,396,464	12.50%	19,200,102	11.87%	16.65%	–
Investment properties	1,361,374	0.76%	1,369,993	0.85%	(0.63%)	–
Long-term equity investments	12,271,123	6.85%	11,996,856	7.42%	2.29%	–
Fixed assets	40,640,340	22.69%	40,354,816	24.95%	0.71%	–
Construction in progress	4,937,925	2.76%	4,483,906	2.77%	10.13%	–
Right-of-use assets	1,126,576	0.63%	1,090,950	0.67%	3.27%	–
Short-term borrowings	14,699,572	8.21%	12,400,861	7.67%	18.54%	–
Derivative financial liabilities	86,056	0.05%	1,696,118	1.05%	(94.93%)	Mainly due to the change in fair value of derivative financial instruments during the Period.
Contract liabilities	15,265,897	8.52%	13,053,025	8.07%	16.95%	–
Other payables	8,384,926	4.68%	6,380,675	3.94%	31.41%	Mainly due to the amount payables for making up for shortfall in relation to the transfer of the equity interests in the Company's subsidiary during the Reporting Period. For details, please refer to "XIV. Other Significant Events of Subsidiaries" under "Chapter VI Significant Events" in this Report.
Non-current liabilities due within one year	5,906,993	3.30%	9,675,619	5.98%	(38.95%)	Mainly due to more long-term borrowings due within one year repaid by the Group during the Period.
Long-term borrowings	19,851,116	11.08%	13,523,455	8.36%	46.79%	Mainly due to the new external borrowings of the Group headquarters during the Period.
Debentures payable	4,023,871	2.25%	1,960,454	1.21%	105.25%	Mainly due to the issuance of medium-term notes by the Group and its subsidiaries during the period.
Lease liabilities	899,900	0.50%	820,638	0.51%	9.66%	–
Other current assets	1,889,892	1.06%	1,801,804	1.11%	4.89%	–
Receivables financing	682,519	0.38%	1,062,258	0.66%	(35.75%)	Mainly due to the decrease in bank acceptance bills classified as receivables financing during the Period.
Long-term payables	98,567	0.06%	188,987	0.12%	(47.84%)	Mainly due to the special payables for plant demolition which were reclassified as other current liabilities during the Period.
Other equity instruments	4,033,119	2.25%	2,049,774	1.27%	96.76%	Mainly due to the issuance of perpetual bonds by the Group during the Period.

## Chapter III Management Discussion and Analysis

### 4. Major Oversea Assets

Applicable  Not applicable

### 5. Assets and Liabilities Measured at Fair Value

Please refer to Note XVII.1 to “Chapter IX 2024 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

### 6. Restricted Asset Rights as at the End of the Reporting Period (Including but Not Limited to Pledge of Assets)

As at 30 June 2024, the restricted assets of the Group totally amounted to RMB1,557.735 million (31 December 2023: RMB2,174.083 million). For details, please refer to note IV. 27 to “Chapter IX 2024 Interim Financial Report (Unaudited)” in this Report.

### 7. Liquidity and Capital Source

The Group’s cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2024, the Group’s cash at bank and on hand amounted to RMB21,777.817 million (31 December 2023: RMB21,324.451 million), representing an increase of 2.13% as compared with the end of the previous year. For details, please refer to note IV. 1 of “Chapter IX 2023 Interim Financial Report (Unaudited)” in this Report. The Group’s development funds primarily consist of cash derived from operation, bank loan and other borrowings. The Group’s cash demands mainly come from production and operation, repayment of matured liability, capital expenditure, payment of interests and dividends, and other unexpected cash demands. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate amount of cash on hand to repay the bank loans due and ensure the development of our businesses. As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB21,742.209 million (same period in 2023: RMB17,042.395 million) and the main currencies were RMB and US dollar.

## Chapter III Management Discussion and Analysis

### 8. Bank Loans and Other Borrowings

As at 30 June 2024, the Group's short-term borrowings, non-current borrowings due within one year, debentures payable due within one year, other current liabilities (super & short-term commercial papers), long-term borrowings and debentures payable in aggregate amounted to RMB46,265.218 million (31 December 2023: RMB39,180.268 million).

*Unit: RMB thousand*

	<b>As at 30 June 2024 (unaudited)</b>	As at 31 December 2023 (audited)
Short-term borrowings	<b>14,699,572</b>	12,400,861
Non-current borrowings due within one year	<b>5,187,899</b>	9,292,880
Debentures payable due within one year	<b>501,083</b>	–
Other current liabilities – super & short-term commercial papers	<b>2,001,677</b>	2,002,618
Long-term borrowings	<b>19,851,116</b>	13,523,455
Debentures payable	<b>4,023,871</b>	1,960,454
<b>Total</b>	<b>46,265,218</b>	39,180,268

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 2024, the Group's long-term interest-bearing debts were mainly USD-denominated contracts with floating rate linked to SOFR amounting to USD1,450.580 million (31 December 2023: USD1,885.580 million). The interest rate range of the Group's short-term borrowings is 1.00% to 6.44% (31 December 2023: 1.20% to 7.20%), and the interest rate range of long-term borrowings is 1.20% to 7.20% (31 December 2023: 1.20% to 7.08%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB18,138.039 million (31 December 2023: approximately RMB14,432.784 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 2024, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB4,524.954 million (31 December 2023: RMB1,960.454 million), with maturity dates mainly spreading over one to five years.

For details, please refer to notes IV. 28, IV. 37, IV. 38, IV. 39, IV. 40 and XVI. 1. (2) to "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

## Chapter III Management Discussion and Analysis

### 9. Other Equity Instruments

As at 30 June 2024, the Group's other equity instruments amounted to RMB4,033.119 million (31 December 2023: RMB2,049.774 million), representing an increase of 96.76% as compared with the end of the previous year, mainly due to the Group's issuance of perpetual bonds during the Period. For details, please refer to notes IV. 45 to "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

### 10. Capital Structure

The Group's capital structure consists of equity interest attributable to shareholders and liabilities. As at 30 June 2024, the Group's equity interest attributable to shareholders amounted to RMB66,188.120 million (31 December 2023: RMB64,630.350 million) in aggregate, total liabilities amounted to RMB112,923.839 million (31 December 2023: RMB97,132.883 million) and total assets amounted to RMB179,111.959 million (31 December 2023: RMB161,763.233 million). The Group is committed to maintaining an appropriate combination of equity and debt in order to maintain an effective capital structure and provide maximum returns for shareholders of the Company.

As at the end of the Reporting Period, the Group's gearing ratio was 63% (31 December 2023: 60%). 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. (Calculation of the gearing ratio: based on the Group's total liabilities divided by its total assets as at the end of the Reporting Period.)

### 11. Capital commitments

As at 30 June 2024, the Group had capital expenditure commitments of approximately RMB 581.744 million (31 December 2023: approximately RMB74.375 million), representing an increase of 682.18% as compared with the end of the previous year, which was mainly used for fixed assets purchase contracts. For details, please refer to note XI. 1. (1) of "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

### 12. Contingent liabilities

For details of the Group's contingent liabilities, please refer to note X of "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

### 13. Dividend distribution

The Company does not intend to distribute any interim cash dividend, issue bonus shares or convert shares from reserves into share capital for the six months ended 30 June 2024 (same period in 2023: Nil).

### 14. Exchange rate fluctuation risk and relevant hedge

The major currency of the Group's business revenue is US dollars, while most of its expenditure is denominated 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 and foreign exchange risk during the Reporting Period, please refer to "(3) Derivatives investments" of "4. Financial asset investments" under "VI. Investment Analysis during the Reporting Period" in this chapter and notes IV. 3 & 44 and XVI. 1. (1) of "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.



## Chapter III Management Discussion and Analysis

### VI. 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
396,916	1,335,399	(70.28%)

#### 2. Material equity investments during the Reporting Period

Applicable  Not applicable

#### 3. Material non-equity investments in progress during the Reporting Period

Applicable  Not applicable

## Chapter III Management Discussion and Analysis

### 4. Financial asset investments

#### (1) Securities investments

√ Applicable   □ Not applicable

Unit: RMB thousand

Type of security	Stock code	Abbreviation of stock name	Initial investment cost (Note)	Model of accounting measurement	Opening Carrying amount	Profit or loss arising from changes in fair value during the Period	Cumulative change to equity	Purchases during the Period	Disposal during the Period	Gains or losses during the Reporting Period	Closing carrying amount	Classification in accounting	Source of fund
Domestic and overseas shares	SSE: 601966	Linglong Tire	67,061	Measurement at fair value	61,536	(1,650)	-	-	(2,939)	(1,312)	56,947	Financial assets held for trading	Self-owned funds
Domestic and overseas shares	SZSE: 002960	Jade Bird Fire	1,200,000	Measurement at fair value	899,225	-	(378,742)	-	-	22,741	821,258	Other equity investments	Self-owned funds
Domestic and overseas shares	SZSE: 000012	CSG A	67,407	Measurement at fair value	57,570	-	(15,315)	-	-	-	52,092	Other equity investments	Self-owned funds
<b>Total</b>			<b>1,334,468</b>	<b>-</b>	<b>1,018,331</b>	<b>(1,650)</b>	<b>(394,057)</b>	<b>-</b>	<b>(2,939)</b>	<b>21,429</b>	<b>930,297</b>	<b>-</b>	<b>-</b>
Disclosure date of announcement in relation to the consideration and approval of securities investments by the Board			Not applicable										
Disclosure date of announcement in relation to the consideration and approval of securities investments by the Shareholders' general meeting (if any)			Not applicable										

Note: The initial investment cost adjusted according to the number of shares held at the end of the Reporting Period.

#### (2) Other listed company equities held

Unit: RMB thousand

Stock code	Abbreviation of stock name	Initial Investment amount (Note)	Number of shares held (Thousand shares)	Percentage of shareholding (%)	Closing carrying amount	Profit or loss during the Reporting Period	Change in equity during the Reporting Period	Classification in accounting	Source of shareholding
ASX: OEL	OttoEnergy	13,480	13,521	0.36%	781	-	(270)	Other equity investments	Share acquisition
HKEX: 00697	Shoucheng	182,212	209,586	2.87%	263,310	-	(35,381)	Other equity investments	Share acquisition
HKEX: 206	CM-Energy	204,326	185,600	5.72%	52,695	-	976	Long-term equity investments	Share acquisition
STAR Market: 688315	Novogene	13,244	1,250	0.19%	8,678	(9,870)	-	Financial assets held for trading	Share acquisition
SZSE: 001213	CRSCL	161,563	40,000	0.90%	148,012	-	(19,988)	Other equity investments	Share acquisition
<b>Total</b>		<b>574,825</b>			<b>473,476</b>	<b>(9,870)</b>	<b>(54,663)</b>	<b>-</b>	<b>-</b>

Note: The initial investment cost adjusted according to the number of shares held at the end of the Reporting Period.

## Chapter III Management Discussion and Analysis

### (3) Derivatives investments

√ Applicable    □ Not applicable

*Derivatives investments for the purpose of hedging*

Unit: RMB thousand

Type of derivatives investment	Initial investment amount	Profit or loss arising from changes in fair value for the Period	Cumulative changes in fair value recognized in equity	Purchase during the Reporting Period	Sale during the Reporting Period	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
Foreign exchange forward contracts	31,797,854	(191,527)	(11,641)	-	-	2,763,882	5.54%
Foreign exchange option contracts	4,934,744	5,395	-	-	-	19,922,947	39.94%
Exchange rate/ interest rate swap contracts	1,773,400	3,884	-	-	-	1,909,837	3.83%
Currency swap contracts	1,295,580	(23,551)	-	-	-	940,900	1.89%
<b>Total</b>	<b>39,801,578</b>	<b>(205,799)</b>	<b>(11,641)</b>	<b>-</b>	<b>-</b>	<b>25,537,566</b>	<b>51.20%</b>

Source of funds for derivatives investments    Self-owned funds

Litigation case (if applicable)    Not applicable

Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any)    28 March 2024

Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Shareholders' general meeting (if any)    26 June 2024

## Chapter III Management Discussion and Analysis

<p>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.)</p>	<p>As at 30 June 2024, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, foreign exchange option contracts, currency swap contracts and interest rate swap contracts. 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 risks of currency swap contracts were related to the fluctuations of exchange rates and interest rates for swap currencies. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The Group's control measures on the derivative financial instruments were mainly reflected in: based on the actual business background and needs of the Group's operations, the Group adhered to the fundamental principles of risk neutrality and hedging and prohibited speculative transaction; 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.</p>
<p>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</p>	<p>From January to June 2024, the Group's loss arising from changes in fair values of the derivative financial instruments was RMB205.799 million. Fair values of the derivative financial instruments of the Group were determined based on quoted market price of external financial institutions.</p>
<p>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</p>	<p>No</p>
<p>Explanations on the actual profit or loss during the Reporting Period</p>	<p>During the Reporting Period, the Group's losses arising from changes in fair values of the derivative financial instruments were RMB205.799 million, investment losses were RMB69.914 million, which were RMB275.713 million in total. In particular, during the Reporting Period, the Group recorded net losses of RMB279.597 million from foreign exchange related derivatives investment activities, which constituted most of the total losses from derivative financial instruments; meanwhile, net exchange gains of RMB 379.838 million were recorded during the current period. The net gain on gains or losses from derivative financial instruments and foreign exchange gains or losses arising from the aforementioned hedging amounted to RMB100.241 million.</p> <p>The foreign exchange derivatives hedging business of the Group has followed the risk-neutral and hedging value-preserving principles. All the foreign exchange derivatives trading activities were for the purpose of hedging against interest rate risk to smooth the uncertainty caused by changes in exchange rates on the Company's operations. As RMB depreciated against US dollars during the Reporting Period, the Group's hedging of exchange rate exposure, which was mainly export proceeds/ net assets denominated in US dollars, has established a negative hedge relationship with losses on hedging instrument and exchange gains at last.</p>

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The Company did not have any derivatives investments for the purpose of speculation during the Reporting Period.

## Chapter III Management Discussion and Analysis

### 5. 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 Prospects of the Company” under “Chapter III Management Discussion and Analysis” 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 RMB1.6 billion, and it is expected to incur capital expenditure of approximately RMB5.96 billion in the second half of the year. The capital expenditure is mainly used in the acquisition of equities and purchase of fixed assets, intangible assets and other long-term assets, etc. The Group will continue to consider various types of financing arrangements.

### 6. Use of Raised Proceeds

#### (1) Use of Raised Proceeds by the Company

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

#### (2) Use of Raised Proceeds by Subsidiaries of the Company

##### 1) *Use of Proceeds from Global Offering and Raised Proceeds from the A Share Issuance of CIMC Vehicles*

##### **General Use of Proceeds Raised from A Share Issuance**

The application for registration of shares in the CIMC Vehicles’ initial public offering 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 RMB252.6 million RMB-denominated ordinary shares (A shares) with a par value of RMB1.00 each and raised total proceeds of RMB1,758.096 million, at an issue price of RMB6.96 per share, in the initial public offering. After deducting the issue expenses (including underwriting and sponsoring fees (value-added tax exclusive) and other issue expenses) 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. CIMC Vehicles was listed on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021. For details of the proceeds raised from the A Share Issuance of CIMC Vehicles, please refer to the announcement published by it on the websites of CNINF (www.cninfo.com.cn) on 22 August 2024.

As of 30 June 2024, the actual use of the raised proceeds from A share issuance of CIMC Vehicles was as follows:

Unit: RMB ten thousand

Total proceeds	158,377.68
Total proceeds invested during the Reporting Period	8,455.91
Total cumulative amount of proceeds invested	94,792.49
Total proceeds with change in use during the Reporting Period	1,868.00
Total cumulative amount of proceeds with change in use	46,095.80
Proportion of cumulative amount of proceeds with change in use	29.10%

##### General Use of Raised Proceeds

As at 30 June 2024, the raised proceeds utilized by CIMC Vehicles in the first half of 2024 were RMB84.5591 million, the total raised proceeds cumulatively utilized were RMB947.9249 million, and the unutilised raised proceeds were RMB694.5159 million (including a net interest income from raised proceeds of RMB58.6640 million, net of bank charges and account management fees).

## Chapter III Management Discussion and Analysis

### Committed Projects Funded by Proceeds Raised from A Share Issuance

Unit: RMB ten thousand

Committed Investment Project and Investment of Surplus Proceeds	Whether the Project was Changed (Including Partial Change)	Net Raised Proceeds	Total Committed Investment of Raised Proceeds	Adjusted Total Investment <sup>(1)</sup>	Investment for the Reporting Period	Accumulated Investment as at the end of the Reporting Period <sup>(2)</sup>	Investment Progress as at the end of the Reporting Period (3)=(2)/(1)	Date on Which the Project is Ready for its Intended Use	Benefits Generated during the Reporting Period	Accumulated Benefits Generated as at the end of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
<b>Committed Investment Projects</b>												
Digital Transformation, Research and Development Project (Note 2)	Yes	43,877.68	43,877.68	26,197.91	179.97	7,640.34	29%	July 2026	Not applicable	Not applicable	Not applicable	No
Project for Lighthouse Factory Upgrade and Construction (Note 2)	Yes	79,500.00	79,500.00	59,203.03	461.86	46,281.16	78%	June 2025	Not applicable	Not applicable	Not applicable	No
New Marketing and Construction Project (Note 3)	Yes	10,000.00	10,000.00	-	-	-	Not applicable	Terminated	Not applicable	Not applicable	Not applicable	Terminated
Repayment of bank loans and replenishment of working capital	No	25,000.00	25,000.00	25,000.00	-	25,000.00	100%	Not applicable	Not applicable	Not applicable	Not applicable	No
Star-chained Semi-trailer Sophisticated Manufacturing Line Upgrade Project	Yes	-	-	36,221.80	6,437.71	12,188.83	34%	August 2025	Not applicable	Not applicable	Not applicable	No
Champion Tanker Sophisticated Manufacturing Line Upgrade Project	No	-	-	8,006.00	1,376.37	3,682.16	46%	August 2026	Not applicable	Not applicable	Not applicable	No
Terabyte Truck Body Sophisticated Manufacturing Line Upgrade Project	Yes	-	-	-	-	-	Not applicable	Terminated	Not applicable	Not applicable	Not applicable	No
Sub-total of committed investment projects (Note 4)	-	158,377.68	158,377.68	154,628.74	8,455.91	94,792.49	-	-	-	-	-	-
<b>Investment of Surplus Proceeds</b>												
Not applicable												

Note 1: The basis and method of calculating "benefits generated during the Reporting Period" are the same as those for calculating the committed benefits.

Note 2: CIMC Vehicles has terminated the sub-projects of the "project for lighthouse factory upgrade and construction", namely the "project for upgrade and technology transformation of coating lines", the "project for digital upgrade of semi-trailers of Yangzhou Tonghua" and the "Project on Walking Mechanism Products (Axle and Suspension) with An Annual Production Capacity of 50,000 Sets", as well as the sub-projects of the "digital transformation, research and development project", namely the "project for digital upgrade of core modules of semi-trailers" and the "new generation intelligent refrigerated van truck bodies module digitalisation upgrading project", and extended the "CIMC intelligent logistics equipment project (phase I)" and the "project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles" in 2023.

Note 3: CIMC Vehicles has terminated the project in 2023.

Note 4: The remaining proceeds of RMB37.4894 million from the terminated fund-raising projects have not been clearly earmarked for intended use, and the unused proceeds from the original projects were deposited in the Company's special account for the proceeds.

## Chapter III Management Discussion and Analysis

### Change of Use of Proceeds from A Share Issuance

Unit: RMB ten thousand

Changed Projects	Corresponding Original Committed Projects	Total Proceeds Intended to be Invested in the Changed Projects <sup>(1)</sup>	Actual Amount Invested During the Reporting Period	Actual Accumulated Amount Invested as of the End of the Period <sup>(2)</sup>	Investment Progress as of the End of the Period (3)=(2)/(1)	Date on Which the Project Is Ready for Its Intended Use	Benefit Generated During the Reporting Period	Whether the Expected Benefits are Achieved	Whether the Project Feasibility Has Varied Significantly After Such Change
		-	36,221.80	6,437.71	12,188.83	34%	August 2025	Not applicable	Not applicable
Star-chained Semi-trailer Sophisticated Manufacturing Line Upgrade Project	-	8,006.00	1,376.37	3,682.16	46%	August 2026	Not applicable	Not applicable	No
Champion Tanker Sophisticated Manufacturing Line Upgrade Project	-	-	-	-	0%	Terminated	Not applicable	Not applicable	No
Terabyte Truck Body Sophisticated Manufacturing Line Upgrade Project	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>44,227.80</b>	<b>7,814.08</b>	<b>15,870.99</b>	-	-	-	-	-

Reasons for changes, decision-making process and disclosure of information (by specific project)

CIMC Vehicles convened the fourth meeting of the second session of the board of directors for 2023 and the third meeting of the second session of the supervisory committee for 2023 on 27 March 2023, and convened the annual general meeting for 2022 on 25 May 2023, at which the Resolution on Re-demonstration and Termination of Certain A Share Proceeds-funded Projects was considered and approved, authorizing CIMC Vehicles to terminate the sub-projects of the "project for lighthouse factory upgrade and construction", namely the project for upgrade and technology transformation of coating lines, the project for digital upgrade of semi-trailers of Yangzhou Tonghua and the "new marketing construction project". For specific details, please refer to the Announcement on Redemonstration and Termination and Postponement of Certain A Share Proceeds-funded Projects (Announcement No.: 2023-031) of CIMC Vehicles disclosed on 28 March 2023 on the website of Cninfo.

CIMC Vehicles convened the seventh meeting of the second session of the board of directors for 2023 and the sixth meeting of the second session of the supervisory committee for 2023 on 23 August 2023, and convened the third extraordinary general meeting for 2023 on 20 September 2023, at which the Resolution on Termination and Changes of Certain A Share Proceeds-funded Projects was considered and approved, authorizing CIMC Vehicles to terminate the sub-projects of Digital Transformation, Research and Development Project, namely Semi-trailer Core Module Digitalisation Upgrading Project and New Generation Intelligent Refrigerated Van Truck Bodies Module Digitalisation Upgrading Project, and also the sub-projects of the Project for Lighthouse Factory Upgrade and Construction, namely Project on Walking Mechanism Products (Axle and Suspension) with An Annual Production Capacity of 50,000 Sets in line with the actual situation of the A Share proceeds-funded projects; authorizing the use of RMB460,958,000 out of the A Share Proceeds for the "Star-chained Semi-trailer Sophisticated Manufacturing Line Upgrade Project", the "Champion Tanker Sophisticated Manufacturing Line Upgrade Project" and the "Terabyte Truck Body Sophisticated Manufacturing Line Upgrade Project".

CIMC Vehicles convened the third meeting of the second session of the board of directors for 2024 and the third meeting of the second session of the supervisory committee for 2024 on 21 March 2024, and convened the annual general meeting for 2023 on 26 June 2024, at which the Resolution on Re-demonstration and Termination of Certain A Share Proceeds-funded Projects was considered and approved, authorizing CIMC Vehicles to terminate the sub-projects of the "Star-chained Semi-trailer Sophisticated Manufacturing Line Upgrade Project", namely the "Baiyin Star-chained Semi-trailer Sophisticated Manufacturing Line Upgrade Project", and the "Terabyte Truck Body Sophisticated Manufacturing Line Upgrade Project".

## Chapter III Management Discussion and Analysis

Information on and reasons for the failure to get ready for the intended use or achieve expected benefits (by specific project)	Not applicable
Description of significant variation in project feasibility after such changes	<p>CIMC Vehicles started its 3rd venture in 2023. According to the planning for structural reforms of the production organisations of enterprises under the "StarLink Project", CIMC Vehicles actively developed its "LTP+LoM" Light Tower Manufacturing Network by deploying Baiyin Star-chained Semi-trailer Sophisticated Manufacturing Line as one of the LoM manufacturing plants. Currently, the "StarLink Project" of CIMC Vehicles has entered the critical stage of strategy implementation and initiative execution. In light of the current market circumstances and the distribution pattern of business opportunities, CIMC Vehicles has conducted a thorough investigation and reassessment on the investment layout of each LoM site. Judging from the return on investment and the necessity of investment, the market areas served by the Baiyin Star-chained Semi-trailer Sophisticated Manufacturing Line can be covered by other Star-chained Semi-trailer Sophisticated Manufacturing Lines. After due consideration, CIMC Vehicles has terminated the Baiyin Star-chained Semi-trailer Sophisticated Manufacturing Line Upgrade Project.</p> <p>The primary investment plan for the Terabyte Truck Body Sophisticated Manufacturing Line Upgrade Project involves upgrading the manufacturing lines of Terabyte dry containers and reefer containers in Zhenjiang. In respect of dry container business, CIMC Vehicles has been able to realise rapid delivery and service in the Eastern China refrigerated vehicle market via its enhanced channel network layout (i.e. directly-operated outlets and dealers), making the planned investment in upgrading the dry container manufacturing line no longer necessary. In respect of reefer container business, CIMC Vehicles has, through resource integration, relocated the entire express container assembly line originally planned to be invested and constructed in the workshop of a business partner to CIMC Taizijie Vehicle Body Manufacturing (Zhenjiang) Co., Ltd., to meet the upgrading need of the reefer container manufacturing line under the original project, thus the investment in construction of the manufacturing line is no longer necessary. In order to avoid idle and wasteful use of funds and resources, improve the use efficiency of the proceeds and maximise the interests of shareholders of the company, CIMC Vehicles has terminated the Terabyte Truck Body Sophisticated Manufacturing Line Upgrade Project after due consideration.</p> <p>CIMC Vehicles convened the third meeting of the second session of the board of directors for 2024 and the third meeting of the second session of the supervisory committee for 2024 on 21 March 2024, and convened the annual general meeting for 2023 on 26 June 2024, at which the termination of the abovementioned projects was considered and approved.</p>

### Use of Proceeds from the H Share Offering

Since the Listing Date of H Shares, the H shares of CIMC Vehicles has been listed on the main board of the Hong Kong Stock Exchange. CIMC Vehicles offered 265,000,000 H shares in total in the global offering. After reducing underwriting commissions and expenses in relation to the global offering, the net proceeds from the H share offering amounted to approximately HK\$1,591.3 million. The nominal value of H shares of CIMC Vehicles is RMB1.00 per share. CIMC Vehicles has withdrawn the listing of its shares on the Hong Kong Stock Exchange at 4:00 p.m. on 3 June 2024 on a voluntarily basis.

On 5 December 2019, 25 March 2020, 12 October 2020 and 20 November 2020, CIMC Vehicles has announced the changes to the use of net proceeds from the H share offering. On 25 August 2021, CIMC Vehicles intended to further change the use of proceeds from the H share offering and obtained approval at the 2021 first extraordinary general meeting of CIMC Vehicles on 29 September 2021. Please refer to the relevant announcements issued by CIMC Vehicles on the same days for details.



## Chapter III Management Discussion and Analysis

On 1 January 2024, the net proceeds from H shares carried forward by CIMC Vehicles from the previous year were approximately HK\$49.4 million. The use of the net proceeds from the H share offering and its utilization as of 30 June 2024, which are intended to be utilized in the next five years after the Listing Date of H shares, are as follows. For details of the proceeds from the H share offering of CIMC Vehicles, please refer to the announcement published by it on the websites of CNINF (www.cninfo.com.cn) on 22 August 2024.

Intended Use of Net Proceeds	Intended Amount (HK\$ million)	Utilized Amount as of 30 June 2024 (HK\$ million)	Utilized Amount during the Reporting Period (HK\$ million)	Unutilized Amount as of 30 June 2024 (HK\$ million)
<b>Develop new manufacturing or assembly plants</b>	<b>1,248.2</b>	<b>1,211.9</b>	<b>11.3</b>	<b>36.3</b>
- Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	38.8	38.8	0.0	0.0
- Develop a new assembly plant for high-end refrigerated semi-trailers in the UK or Poland	32.1	32.1	3.0	0.0
- Develop a new automated production facility for refrigerated semi-trailers in Monon, the US	163.0	159.4	0.0	3.6
- Develop a new assembly plant for swap bodies and chassis and flatbed semi-trailers in the Netherlands	105.2	105.2	0.0	0.0
- Develop a new assembly plant for refrigerated semi-trailers in Canada	20.2	20.2	0.0	0.0
- Develop a new manufacturing plant in Jiangmen, China	87.0	79.6	0.0	7.4
- Technological reform and informatization of plants in Xi'an, China	32.7	22.9	8.2	9.8
- Develop a new manufacturing plant in Baoji City, China	70.0	70.0	0.0	0.0
- Construct a vehicle park in Kunming, China	78.4	78.4	0.0	0.0
- Expand semi-trailer production plant in Dongguan, China	114.8	105.7	0.0	9.1
- Expand dry bodies and refrigerated bodies production plant in Zhenjiang, China	34.4	28.0	0.1	6.4
- Expand production and assembly plant for chassis trailers in Rayong, Thailand	193.5	193.5	0.0	0.0
- Increase the registered capital and production capacity of subsidiaries in the UK (note)	278.1	278.1	0.0	0.0
<b>Research and develop new products</b>	<b>66.5</b>	<b>66.5</b>	<b>1.7</b>	<b>0.0</b>
- Invest in industry fund	34.4	34.4	0.0	0.0
- Develop high-end refrigerated semi-trailers	26.3	26.3	1.7	0.0
- Develop other trailers	5.8	5.8	0.0	0.0
<b>Repay the principal amount and interests of bank borrowings</b>	<b>153.8</b>	<b>153.8</b>	<b>-</b>	<b>0.0</b>
<b>Working capital and general corporate purposes</b>	<b>151.5</b>	<b>151.5</b>	<b>-</b>	<b>0.0</b>
<b>Total</b>	<b>1,620.0</b>	<b>1,583.7</b>	<b>13.0</b>	<b>36.3</b>

Note: Pursuant to the announcement of CIMC Vehicles dated 25 August 2021, in relation to the proposed further changes in the use of proceeds from the global offering, and the circular of CIMC Vehicles dated 13 September 2021, CIMC Vehicles determined to use the remaining or unutilized amounts under "develop new manufacturing or assembly plants and upgrade the marketing model", "research and develop new products", "repay the principal amount and interests of bank borrowings", and "working capital and general corporate purposes" and interest accrued in the designated bank account for the proceeds from the global offering totalling approximately HK\$278.09 million to increase the registered capital of SDC Trailers Ltd, of which HK\$28.74 million represents the interest accrued in the designated bank account for the proceeds from the global offering.

## Chapter III Management Discussion and Analysis

### 2) Use of Proceeds Raised from the A Share Issuance of CIMC Safeway Technologies

#### General Use of Raised Proceeds

Unit: RMB ten thousand

Total raised proceeds	217,980
Total investment of raised proceeds for the Reporting Period	23,614.94
Total cumulative amount of proceeds invested	24,457.31

#### General Use of Raised Proceeds

CIMC Safeway Technologies was approved for registration by the China Securities Regulatory Commission in the Approval for Registration of Shares in Initial Public Offering of CIMC Safeway Technologies Co., Ltd. (Zheng Jian Xu Ke [2023] No. 1317), and CITIC Securities Company Limited, the lead underwriter, issued 90,000,000 RMB-denominated ordinary shares (A-shares) at an issue price of RMB24.22 per share through the system of the exchange on a standby commitment basis with total gross proceeds of RMB2,179.8000 million, and after deducting the remaining sponsoring and underwriting fees payable by the securities dealer of RMB132.2708 million (total underwriting and sponsoring fees of RMB138.7708 million: of which the tax exclusive amount was RMB130.9158 million and the VAT input tax was RMB7.8550 million; RMB6.5000 million had already been paid for the previous period, inclusive of tax). CITIC Securities Company Limited, the principal underwriter, remitted RMB2,047.5292 million to the custodial account for the proceeds of the Company at the Business Department of CITIC Bank, Nantong Branch (account no.: 8110501013002297747) on 28 September 2023. The total gross proceeds from the issuance amounted to RMB2,179.8000 million, and after deducting the cumulative issue expenses (exclusive of tax) of RMB151.5266 million, the net proceeds amounted to RMB2,028.2734 million. The aforesaid availability of proceeds was audited by Zhonghui Certified Public Accountants LLP, which issued the Capital Verification Report (Zhong Hui Kuai Yan [2023] No. 9383) on 28 September 2023. For details of the proceeds raised from the A share issuance of CIMC Safeway Technologies, please refer to its relevant announcement disclosed on 21 August 2024.

## Chapter III Management Discussion and Analysis

### Committed Projects Funded by Raised Proceeds

Unit: RMB ten thousand

Committed Investment Project and Investment of Surplus Proceeds	Whether the Project was Changed (Including Partial Change)	Net Proceeds	Total Committed Investment of Raised Proceeds	Adjusted Total Investment <sup>(1)</sup>	Investment for the Reporting Period	Accumulated Investment as of the end of the Period <sup>(2)</sup>	Investment Progress as at the end of the Period (3)=(2)/(1)	Date on Which the Project is Ready for its Intended Use	Benefits Generated during the Reporting Period	Accumulated Benefits Generated as at the end of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
<b>Committed Investment Projects</b>												
1-1 Project of Green and Flexible Lighthouse Factories for Special Tank Containers	No	36,200	36,200	36,200	612.81	612.81	1.69%	30 June 2026			Not applicable	No
1-2 Intelligent Upgrading Project of Oasis Production Line of Nantong Tank Box	No	5,000	5,000	5,000	4,515.29	5,000	100.00%	31 December 2024			Not applicable	No
2-1 Container Repairment Workshop Original-Factory Maintenance and Value-added Transformation Project	No	3,735	3,735	3,735	0	0	0.00%	31 December 2026			Not applicable	No
2-2 Lianyungang Tank Containers After-market Yard Project	No	1,265	1,265	1,265	726.58	726.58	57.44%	31 December 2024			Not applicable	No
3. High-end Medical Equipment Supporting Capabilities Optimisation Project	No	19,403	19,403	19,403	3.3	3.3	0.02%	31 December 2026			Not applicable	No
4. Non-ferrous Metals Precision Manufacturing Centre	No	9,527	9,527	9,527	3.3	3.3	0.03%	31 December 2026			Not applicable	No
5. R&D Centre Expansion Project	No	5,690	5,690	5,690	0	0	0.00%	31 December 2026			Not applicable	No
6. Digital Operation Upgrading Project	No	4,178	4,178	4,178	2,751.66	3,109.32	74.42%	31 December 2025			Not applicable	No
7. Replenishment of working capital	No	15,002	15,002	15,002	15,002	15,002	100.00%				Not applicable	No
Sub-total of committed investment projects	-	100,000	100,000	100,000	23,614.94	24,457.31	-	-			-	-
<b>Investment of Surplus Proceeds</b>												
Not applicable	No	0	0	0	0	0	0.00%		0	0	-	-
Repayment of bank loans (if any)	-	0	0	0	0	0	-	-	-	-	-	-
Replenishment of working capital (if any)	-	0	0	0	0	0	-	-	-	-	-	-
Sub-total of investment of surplus proceeds	-	0	0	0	0	0	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>23,614.94</b>	<b>24,457.31</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>

There was no change of projects of the proceeds of CIMC Safeway Technologies during the Reporting Period.

## Chapter III Management Discussion and Analysis

### VII. DISPOSAL OF SUBSTANTIAL ASSETS AND EQUITY INTERESTS

#### 1. Disposal of Substantial Assets

Applicable  Not applicable

#### 2. Disposal of Substantial Equity Interests

Applicable  Not applicable

The Group did not have any major acquisition or disposal of subsidiaries, associated companies and joint ventures. Please refer to note V and note VI of “Chapter IX 2024 Interim Financial Report (Unaudited)” in this Report. 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.

### VIII. ANALYSIS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Applicable  Not applicable

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

Unit: RMB thousand

Name of company	Type of company	Principal business	Registered capital	Total assets	Net assets as	Revenue for the Reporting Period	Operating	Net profit for
				as at the end of the Reporting Period	at the end of the Reporting Period		profit for the Reporting Period	the Reporting Period
CIMC Container (Group) Co., Ltd. (Note 1)	Subsidiary	Mainly engaged in manufacturing and sale of containers	6,634,020	40,869,167	18,961,517	24,949,526	1,400,015	1,075,824
CIMC Vehicles (Note 2)	Subsidiary	Mainly engaged in the manufacture and sale of semi-trailer and truck bodies for specialty vehicles	1,874,124	24,377,813	14,946,779	10,699,669	746,135	573,987
CIMC Enric (Note 3)	Subsidiary	Energy, chemical and liquid food equipment business	18,521	29,679,098	12,448,992	11,479,938	702,106 (Note 3)	503,829
CIMC Wetrans (Note 1)	Subsidiary	International and domestic freight transport agents, general and CIQ affairs	1,741,110	9,256,095	2,906,837	14,088,831	270,136	204,375

Note 1: The financial data in the above table is taken from the management account.

Note 2: The financial data for CIMC Vehicles is extracted from its interim report for A shares for 2024.

Note 3: CIMC Enric is a company listed on the Hong Kong Stock Exchange, and the financial data in the above table is extracted from its 2024 interim results announcement prepared in accordance with the Hong Kong Accounting Standards. In particular, operating profit for the reporting period refers to the “operating profit” in the financial statements.

## Chapter III Management Discussion and Analysis

### Details on acquiring and disposing subsidiaries during the Reporting Period

Applicable  Not applicable

Name of company	Method of acquiring and disposing subsidiary during the Reporting Period	Impact on overall production and operation and performance
Shanghai CIMC Tongchuang Steel Processing Co., Ltd.	Cash acquisition	No significant impact
Hubei CIMC Superfiber Technology Co., Ltd.	Cash acquisition	No significant impact
CIMC TIANDA USA, INC	Cancellation	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 Management Discussion and Analysis” of this Report for the operations of the Group’s major subsidiaries during the Reporting Period. Please refer to note IV. 16 and note VI to “Chapter IX 2024 Interim Financial Report (Unaudited)” in this Report for details of joint ventures and associates during the Reporting Period.

## IX. STRUCTURED BODY CONTROLLED BY THE COMPANY

Applicable  Not applicable

## X. EMPLOYEES OF THE COMPANY

### Employees and remuneration policies

As at 30 June 2024, the Group’s total number of employees worldwide, including contract employees, employed retirees and part-time employees and others, was 80,109 (31 December 2023: 68,940), and the Group had a total of 49,988 contract employees (31 December 2023: 50,632) across the globe. The total staff cost during the Reporting Period, including directors’ remuneration and contributions to the retirement benefit schemes, amounted to approximately RMB6,446.231 million (same period in 2023: approximately RMB5,666.978 million).

The Group provides salary and bonus payment to its employees based on their performance, position value, qualification, experience and market conditions to motivate our employees. 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”, covering 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 and audit) to conduct effective career management and clarify career development direction for its employees with a view to enhancing their capabilities.

## Chapter III Management Discussion and Analysis

### 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 IX 2024 Interim Financial Report (Unaudited)" in this Report.

### XI. RISKS FACED BY THE COMPANY AND COUNTERMEASURES

For the risks faced by the Company and countermeasures, please refer to "1. Industrial Analysis and Corporate Operating Strategy of Major Business Segments" and "2. Major Risk Factors in the Future Development of the Group" in "III. Future Development and Prospects of the Company" in "Chapter III Management Discussion and Analysis" of this Report.

### XII. EVENTS AFTER THE BALANCE SHEET DATE

For details of events after the balance sheet date of the Reporting Period, please refer to note XIII to "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

### XIII. DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

In accordance with paragraph 40 of Appendix D2 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 2023 Annual Report of the Company.

## Chapter III Management Discussion and Analysis

### XIV. REGISTER OF RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS DURING THE REPORTING PERIOD

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
28 March 2024	The Group's headquarter, RoadShowChina, Panorama Network, Easy Board, Futu and other online platforms	On-site meeting + network platform online communication	Others	All investors who signed up for the meeting	Interpretation of the Group's 2023 annual results, introduction to business highlights and 2024 business plan outlook, etc.	For details, please refer to the "Investor Relations Management Information of CIMC 20240329" (No. 2024-001) published by the Company on CNINFO (www.cninfo.com.cn) on 29 March 2024
30 April 2024	The Group's headquarter	Tele conference	Institutions	Huatai Securities, GF Securities, UBS, CITIC Securities, etc.	Interpretation of the Group's 2024 first quarter results, introduction to business highlights and future business development, etc.	For details, please refer to the "Investor Relations Management Information of CIMC 20240430" (No. 2024-002) published by the Company on CNINFO (www.cninfo.com.cn) on 30 April 2024
May 2024	Chengdu, Beijing, Shenzhen	Strategy conference	Institutions	Changjiang Securities 2024 Interim Strategy Conference, TF Securities 2024 Interim Listed Companies Exchange Meeting, Industrial Securities 2024 Overseas Investment Strategy Conference	The Group's principal business performance, investment progress, recent business development performance and industry outlook	For details, please refer to the "Investor Relations Management Information of CIMC 20240612" (No. 2024-003) published by the Company on CNINFO (www.cninfo.com.cn) on 12 June 2024
May 2024	Shenzhen, Hong Kong	On-site meeting, tele conference	Institutions	Minsheng Securities, Bosera Securities, BOC Investment Management, Sumitomo Mitsui, Allianz Global Investors, Fullgoal Hong Kong, MILLENIUM CAPITAL, ExodusPoint CAPITAL, EASTSPRING INVESTMENTS, China Pinnacle Equity, Seahawk China, Principal Global Investors, China Universal Hong Kong, Taikang Asset Management, Invesco, T.Rowe Price, Polymer Capital, Dymon Asia Capital, China Everwin, CMB Wealth Management, Zhongtai Securities, etc.	Same as above	Same as above

## Chapter III Management Discussion and Analysis

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
May 2024	The Group's headquarter	On-site research + on-site meeting	Institutions	UBS Asia Investment Forum – China High-end Manufacturing Theme Research	Same as above	Same as above
26 June 2024	The Group's headquarter	On-site meeting	Others	Partial Shareholder representatives, journalists, etc.	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240626" (No. 2024-004) published by the Company on CNINFO (www.cninfo.com.cn) on 26 June 2024
June 2024	Shanghai, Shenzhen, the Group's headquarter	Strategy conference	Institutions	Huatai Securities 2024 Interim Investment Conference, Everbright Securities 2024 Interim Listed Companies Exchange Meeting, CITIC Securities 2024 Capital Market Forum, CICC 2024 Interim Investment Strategy Conference, Sinolink Securities 2024 Interim Strategy Conference, Minsheng Securities 2024 Interim Investment Strategy Conference	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240802" (No. 2024-006) published by the Company on CNINFO (www.cninfo.com.cn) on 2 August 2024
June 2024	Shenzhen, Shanghai	On-site meeting, tele conference	Institutions	China Merchants Fund, Pacific Asset Management, JPMorgan Asset Management, UBS SDIC, Huatai Borui, Huatai Asset, China Universal Hong Kong, Hongde Fund, Guotai Junan, China Life Asset, First State Cinda, Qianhai Kaiyuan, Southern Asset Management, Penghua Fund, CITIC Securities, Harvest Fund, Guolian Fund, AllianceBernstein, Orient Asset Management, LyGH Capital, China Everbright Securities, Huafu Securities, Hua'an Securities, etc.	Same as above	Same as above



## Chapter III Management Discussion and Analysis

### XV. IMPLEMENTATION OF THE “DUAL IMPROVEMENT OF QUALITY AND RETURN” ACTION PLAN

Whether the Company has disclosed the “Dual Improvement of Quality and Return” action plan.

Applicable  Not applicable

During the Reporting Period, the Company had not disclosed the “Dual Improvement of Quality and Return” action plan.

## Chapter IV Corporate Governance

### I. COMPANY GOVERNANCE AND CORPORATE GOVERNANCE

#### (I) Overview of Company Governance

During the Reporting Period, the Company continued to enhance and improve its corporate governance and standardized operation in strict compliance with the requirements of laws and regulations including the PRC Company Law, the Code of Corporate Governance for Listed Companies, Guidelines on the Articles of Association of Listed Companies, Rules of General Meetings of Listed Companies as well as the requirements of the Listing Rules. The Group has made the corporate governance by law an important part of its internal control works. The Company has established a corporate governance structure which is in line with the requirements of management of modern enterprise and ensures the full and balanced performance of all functions. In accordance with the series of rules and regulations of the Company such as the Articles of Association, the Rules of Procedure for General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee, the independent directors and the special committees under the Board gave full play to their roles to ensure that the functions and responsibilities of the General Meeting, the Board and the Supervisory Committee were properly performed and balanced, so as to protect the interests of the Company and its Shareholders and ensured the sustainable and healthy development of the Company.

During the Reporting Period, according to the requirements of the securities regulators of China and Hong Kong, the Group updated some of its systems and rules, including the Articles of Association, the Rules of Procedure for the General Meetings, the Rules of Procedure for the Board of Directors, the Management System of Related Party Transactions and the implementation rules of relevant special committees under the Board. In particular, the amendments to the Articles of Association include the deletion of relevant contents in relation to the Notice on Implementation of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, which covers relevant provisions of class meetings and other compliance and normative modifications.

## Chapter IV Corporate Governance

### (II) Relevant Information on the General Meetings

#### 1. Relevant Situations of Annual General Meeting and Extraordinary General Meetings Convened during the Reporting Period

During the Reporting Period, all general meetings held by the Company were convened by the Board of the Company, with attesting lawyers witnessing the meetings in person and issuing written legal opinions; the consideration of proposals at the general meetings complied with the statutory procedures, and all Shareholders were guaranteed the rights to be informed of, to participate in, and to vote on the Company's major issues, so as to enable them to fully exercise their legitimate rights as Shareholders. 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.

Session of meeting	Type of meeting	Proportion of investors' participation	Date	Disclosure date	Disclosure index
The first extraordinary general meeting for 2024	Extraordinary general meeting	56.8854%	13 March 2024	13 March 2024	<a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> <a href="http://www.hkexnews.hk">www.hkexnews.hk</a>
The annual general meeting for 2023	Annual general meeting	57.6725%	26 June 2024	26 June 2024	<a href="http://www.cimc.com">www.cimc.com</a>
The first class meeting of A Shareholders for 2024	Class meeting	27.5212%	26 June 2024	26 June 2024	
The first class meeting of H Shareholders for 2024	Class meeting	79.8723%	26 June 2024	26 June 2024	

Note: The proportion of investors' participation in the class meeting refers to the proportion of the number of voting shares held by participating investors to the total number of voting shares in that class, and the proportion of investors' participation in the annual general meeting and the extraordinary general meeting refers to the proportion of the number of voting shares held by the participating investors to the total number of voting shares of the Company. In particular, the 24,645,550 A Shares repurchased by the Company had been excluded from the denominator in calculating the proportion for the first extraordinary general meeting for 2024, the annual general meeting for 2023 and the first class meeting of A Shareholders for 2024.

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

Applicable  Not applicable

## Chapter IV Corporate Governance

### (III) Relevant Information on 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. During the Reporting Period, the Board, comprising 9 Directors, held 10 Board meetings with 47 resolutions being reviewed.

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

#### Board Committees

The Board of the Company has set up five special committees, i.e. Audit Committee, Remuneration and Appraisal Committee, Strategic Development Committee, Nomination Committee and Risk Management Committee. These special committees conscientiously performed their duties in accordance with the Governance Guidelines of Listed Company, the Hong Kong Listing Rules, the Articles of Association, the Rules of Procedures for the Board, and the authorities and obligations mandated by the implementation rules of each special committee. During the Reporting Period, a total of 14 meetings were held by the committees of the Board with 21 letters of opinion from Board committees passed.

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 tenth session of the Audit Committee of the Company consist of Mr. YANG Xiong (chairman of the Audit Committee with professional qualifications and experience in relation to financial management such as accounting), Ms. LUI FUNG Mei Yee, Mabel and Mr. ZHANG Guanghua.

On 28 August 2024, the Audit Committee has discussed with the management and reviewed the 2024 Interim Financial Report (Unaudited) of the Group for the six months ended 30 June 2024 and the financial information set out in the 2024 Interim Report. The members of the Audit Committee had no disagreement with the contents of the report and agreed to present the same to the Board for consideration.

## Chapter IV Corporate Governance

### (IV) Relevant Information on Supervisory Committee

During the Reporting Period, the Supervisory Committee, comprising 3 Supervisors, held 2 meetings with 6 resolutions reviewed. The Supervisors attended 10 meetings of the Board.

### (V) 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 C1 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. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

#### Updates regarding Deviations from Code Provisions as set out in the 2023 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 10 Board meetings, of which only 1 meeting was held on site. The executive Directors manage and monitor the business operation and propose to hold board meetings to have discussions and make decisions on the Group’s major business or management matters from time to time. Accordingly, certain relevant decisions were made by all Directors by way of written resolutions. The Directors are of the opinion that, the fairness and validity of the decisions made for the business had adequate assurance. The Company will strive to put effective corporate governance practices into practice in future.

## Chapter IV Corporate Governance

### (VI) 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 C3 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.

### (VII) Risk Management

The Company attaches great importance to comprehensive risk management by (1) focusing on the credit management risk of customers to complete online management and control during the whole life cycle of customer credit within one year. Meanwhile, the Company put more efforts into the implementation of digital risk control, and achieved rapid horizontal expansion of digital risk control achievements; (2) launching online audit programs to explore the transformation of online audit driven by a series of rule engines; (3) strengthening special major risk management and the horizontal expansion of its achievements and carrying out special overseas risk management and capital risk management to enhance the Group's ability in managing and controlling key risks; (4) continuing to foster an organizational atmosphere of "knowing the red line and guarding the bottom line" for risk control through carrying out unannounced inspections of key risk control requirements in a comprehensive way; (5) gradually promoting the implementation of risk management system elements, and guiding the construction of risk control systems of organizations at all levels through the implementation of risk control maturity. In the second half of the year, the Group will continue to advance the key risk control tasks above and plan to develop a series of courses for corporate general managers and core backbones of risk control to promote the enhancement in overall risk control awareness and performance capabilities of the core/backbone teams of the Group.

## Chapter IV Corporate Governance

### II. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY AND THEIR SHAREHOLDING DURING THE REPORTING PERIOD

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

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

Name	Position	Type	Date	Reason
HUANG Tianhua	Vice president	Appointed	27 March 2024	Re-appointment upon expiration of the term of office
YU Yuqun	Vice president	Appointed	27 March 2024	Re-appointment upon expiration of the term of office
WU Sanqiang	Secretary to the Board	Appointed	27 March 2024	Re-appointment upon expiration of the term of office
	Company secretary (Note)	Appointed	10 April 2024	Re-appointment upon expiration of the term of office

Note: On 27 March 2024, as considered and approved at the fifth meeting in 2024 of the tenth session of the Board of the Company, it was agreed to appoint Mr. WU Sanqiang as the secretary to the Board/company secretary according to the nomination by Mr. MAI Boliang (Chairman of the Board). The qualification of Mr. WU Sanqiang for the re-appointment as a company secretary has been approved by the Hong Kong Stock Exchange. Mr. WU Sanqiang has been the company secretary of the Company since 10 April 2024. Ms. HE Linying has resigned as a joint company secretary of the Company, and will serve as an assistant company secretary of the Company upon her resignation, with effect from 10 April 2024.

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

As at 30 June 2024, 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 C3 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	890,465

## Chapter IV Corporate Governance

### (2) Interest in the Underlying Shares of 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 (hereinafter referred as to the "Operation Scheme"). 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 participants of the Operation Scheme are the core key employees and senior/middle-level management personnel who play an important role in the overall performance and long-term development of the Company, including, among others, MAI Boliang, the Chairman of the Board, Gao Xiang, the president, Li Yinhui, a vice president, Huang Tianhua, a vice president, Yu Yuqun, a vice president, Zeng Han, a vice president and CFO, and WU Sanqiang, the secretary to the Board. The scale of the fund of the First Phase of the Trust Plan (第一期信託計劃) under the Operation Scheme, with a duration of 5 years, was RMB200 million. On 19 January 2021, the Company completed the purchase of Shares under the First Phase of the Trust Plan and the lock-up period 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 (第二期信託計劃) was established by utilizing the surplus funds of RMB143 million from the bonus balance of the profit-sharing plan with a duration of 5 years in accordance with the Operation Scheme. On 8 October 2021, the Company completed the purchase of Shares under the Second Phase of the Trust Plan, and the lock-up period expired on 27 September 2022. As at 30 June 2024, the Partnership under the First Phase of the Trust Plan purchased 42,254,600 H Shares (31 December 2023: 42,254,600 H shares) of the Company cumulatively through the Southbound Stock Connect in the secondary market, and the Partnership under the Second Phase of the Trust Plan purchased 16,135,050 H Shares (31 December 2023: 16,135,050 H shares) of the Company cumulatively through the Southbound Stock Connect in the secondary market. As of the date of disclosure of this report, both the First Phase of the Trust Plan and the Second Phase of the Trust Plan established by the Company under the Operating Scheme did not make any distribution.

During the Reporting Period, save as disclosed above and in "IV. Changes in Shareholdings of Directors, Supervisors and Senior Management" under "Chapter VII Changes in Share Capital and Shareholdings of Shareholders" in this Report, none of the Directors, Supervisors or Senior Management held any Shares of the Company.

### (3) Interest in the Shares of 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 2024, 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 C3 of the Hong Kong Listing Rules.



## Chapter IV Corporate Governance

### 3. Changes in Personal Information of Directors and Supervisors

As at the date of this report, the changes in information of the Directors and Supervisors during their tenure of services which were required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules were as follows:

- (1) Mr. HU Xianfu has served as the chief accountant of Dongfang Electric Corporation since July 2024;
- (2) Mr. DENG Weidong has served as the general manager of China Merchants Innovation and Technology (Group) Co., Ltd. since March 2024 and ceased to be a director of Sinotrans Limited (00598.HK/601598.SH), with effect from March 2024;
- (3) Mr. SUN Huirong ceased to be a director of Shenzhen Nanshan Power Co., Ltd. (000037.SZ), with effect from June 2024;
- (4) Mr. ZHANG Guanghua has served as an independent director of YOU+ BANK Co., Ltd. since July 2024;
- (5) Mr. YANG Xiong ceased to be a director of Bank of Guiyang Co., Ltd. (601997.SH), with effect from February 2024.

For biographical details of relevant Directors and Supervisors please refer to the 2023 Annual Report and relevant announcements and/or circulars disclosed on the website of the Company ([www.cimc.com](http://www.cimc.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Saved as disclosed, there is no other information which is required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

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

Applicable  Not applicable

The Company proposed not to distribute cash dividends, issue bonus shares or increase share capital by way of transfer from capital reserves for the six months ended 30 June 2024 (same period in 2023: Nil).

#### Implementation of Profit Distribution of the Company during the Reporting Period

The proposed equity distribution plan for 2023 considered and approved at the 2023 annual general meeting of the Company held on 26 June 2024 is as follows: a cash dividend of RMB0.22 (tax inclusive) per 10 shares to all the shareholders whose names appear on the register of members of the Company on the record date, on the basis of 2,278,036,940 shares, which is calculated by deducting 24,645,550 repurchased shares from the total A share capital of the Company as at the book closure date of dividend distribution, and there will be no bonus shares or new shares being issued by way of conversion of capital reserve. Where there are any changes in the total share capital of the Company before the implementation of equity distribution, the dividend amount per share shall be adjusted according to the principle that the total amount of the distribution remains unchanged. The Company has completed the dividend distribution for 2023 on 16 August 2024. The implementation of the equity distribution plan is consistent with the distribution plan considered and approved at the shareholders' general meeting of the Company and is less than two months away from the time when the plan was considered and approved at the general meeting of the Company.

## Chapter IV Corporate Governance

### IV. 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

##### The Core Employee Stock Ownership Scheme of the Company

On 28 June 2022, as approved at the 2021 annual general meeting of the Company, it was agreed that the "Core Employee Stock Ownership Scheme" (hereinafter referred to as the "Stock Ownership Scheme") is to be established with the legal remuneration and bonus amounts of the employees for the bonus drawn by the Company under the profit sharing scheme and the operation plan of purchasing A shares of the Company in the secondary market or transferring A shares repurchased by the Company is to be implemented; and it was also agreed that the "Core Employee Stock Ownership Scheme of China International Marine Containers (Group) Co., Ltd." (hereinafter referred to as the "Scheme") is to be formulated in accordance with the aforesaid operation plan. The duration of the Scheme is ten years, commencing from the date on which the Scheme is considered and approved at the shareholders' general meeting of the Company. The lock-up period of the A shares of the Group purchased in the secondary market by Tranches of Stock Ownership Schemes under the Scheme or transferred from those repurchased by the Company is 12 months, and no trading can be conducted during the lock-up period.

##### (1) Purpose of the Core Employee Stock Ownership Scheme

By implementing the Scheme, the Company will further improve the modern corporate governance system, stimulate employees' sense of mission and responsibility, and guide employees to operate steadily, which is conducive to promoting the long-term, sustainable and healthy development of the Company, and boosting the confidence of the capital market in the Company.

##### (2) Participants and Shareholding Limit

The Participants of the Stock Ownership Scheme include senior management appointed by the Board of the Company, some members of the executive committee of the Company (excluding general managers of subsidiaries), and heads of functional departments at the Company's headquarters, etc. The funds of the Scheme come from the legal salary and bonus amount of the Participants under the Company's Bonus of Profit Sharing Plan, and there is no situation where the Company provides financial assistance or guarantees to the Participants. The total number of shares of the Company held by each subsisted Stock Ownership Scheme under the Scheme shall not, in aggregate, exceed 10% of the Company's total share capital and the total number of shares corresponding to shareholding interests obtained by individual Participant shall not, in aggregate, exceed 1% of the Company's total share capital.

## Chapter IV Corporate Governance

### (3) Allocation of Interests

When Tranches of the Stock Ownership Schemes under the Scheme are established, the shareholding interests that can be enjoyed by the Participants of the Stock Ownership Scheme shall be determined by the legal salary and bonus amount of them under the Bonus of Profit Sharing Plan. Upon the expiration of the lock-up period of the Company's shares held by the Tranches of Stock Ownership Schemes, the Stock Ownership Scheme may, on the premise that it complies with laws and regulations and the relevant provisions of the Scheme, transfer A shares of the Company held by the Stock Ownership Scheme to the Participant's stock accounts through non-trading transfer, or sell the A Shares of the Company held by the Stock Ownership Scheme in the secondary market and distribute the proceeds to the Participants, or other legal means, according to the instructions of the Participants' Meeting Council.

### (4) Progress of the Core Employee Stock Ownership Scheme

As at the disclosure date of this Report, the Company has not yet implemented any phase of the Core Employee Stock Ownership Scheme.

As the Core Employee Stock Ownership Scheme of the Company is an operation plan to purchase A shares in the secondary market or transfer A shares repurchased by the Company which does not involve the issuance of any new Shares of the Company, there were no shares available for issue or treasury shares involved as at the date of this Report.

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

There are no share schemes of major subsidiaries of the Company that are required to be disclosed under Chapter 17 of the Hong Kong Listing Rules.

For details of the implementation of the share option incentive scheme, employee stock ownership scheme or other employee incentive measures of other subsidiaries of the Company, please refer to Note IX. 2 of "Chapter IX 2024 Interim Financial Report (Unaudited)" in this report.

## Chapter V Environmental and Social Responsibilities

### I. MATERIAL ENVIRONMENTAL ISSUES

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

Yes  No

For specific details of the Group's administrative permits in respect of environmental protection, standards for industrial emission and the discharge of pollutants during production and operating activities, treatment of pollutants, administrative penalties imposed upon the Group for environmental issues during the Reporting Period and improvement on the disposal of the three wastes i.e. "waste gas, waste water and solid waste", please refer to the Interim Report of China International Marine Containers (Group) Co., Ltd. for 2024 disclosed by the Company to the public on 28 August 2024.

#### Environmental protection-related policies and industrial standards

The Group's subsidiaries comply strictly with the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Environmental Impact Assessment, Law of the People's Republic of China on the Prevention and Control of Air Pollution, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Soil Pollution, Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, the Administrative Measures for Pollutant Discharge Licensing and other relevant laws and regulations during their production and operation processes. They rigorously implement the pollutant emission control standards set by national and local governments as well as industry regulations, ensuring compliance in pollution prevention and ecological environmental protection efforts.

#### Environmental self-monitoring plan

37 enterprises conscientiously implemented their primary responsibilities and formulated corporate environmental self-monitoring plans in accordance with environmental regulatory requirements and the requirements of the Group, and installed automatic monitoring equipment or entrusted qualified third-party testing agencies to conduct self-monitoring work as required. They have also developed management measures and procedures for environmental monitoring and kept relevant accounts as required.

#### Contingency plan for environmental incidents

All the key environmental supervision units under the Group have prepared the contingency plan for environmental incidents in accordance with the requirements of relevant laws and regulations and filed with the relevant authorities. In addition, they regularly organised and completed contingency drills for environmental incidents in order to ensure timely, orderly, efficient and proper response to environmental incidents.

## Chapter V Environmental and Social Responsibilities

### Relevant information on investments in environmental management and protection and payment of environmental protection tax

The Group's total accumulated investments in environmental protection during the Reporting Period exceeded RMB126 million. For key environmental supervision units, the environmental protection related expenses exceeded RMB102 million and the environmental protection tax was fully paid.

### Other environmental information that should be disclosed

None.

### Measures taken to reduce its carbon emissions during the Reporting Period and their effectiveness

Applicable  Not Applicable

The Group unswervingly implemented the new development concept, took the path of green, low-carbon and high-quality development, and took the work of "carbon peaking and carbon neutrality" as the guide, vigorously promoted energy conservation, carbon reduction and efficiency improvement, and made efforts on energy conservation with high quality.

#### (1) Seven major measures to accelerate the green and low-carbon transformation of the Company's operation level.

- ① Strengthening the mechanism traction. The Group incorporated energy conservation and carbon reduction into one of the eight key topics in the Statement of the Board of Directors in 2023, and established energy conservation and carbon reduction targets driven by the extension of strategic themes of the Group's business plan for 2024, which were undertaken by its subordinate segments, with review and report of the progress presented every quarter.

## Chapter V Environmental and Social Responsibilities

- ② Accelerating low-carbon development with the synergy of digitization. The Group newly developed an information platform for energy consumption and carbon emissions of overseas enterprises, improved the energy carbon billboards of enterprises, and routinely analyzed the emission data on a quarterly basis. In the pilot enterprises, the Group built a digital platform for carbon management of group, segments and enterprises, meeting the management mode of one headquarters, multiple segments and multiple enterprises.
- ③ Promoting the green and low-carbon transformation and upgrading of the production line. All segments and enterprises promoted energy-saving, low-carbon and cleaner production technologies and equipment, and promoted the upgrading of technological processes. The Group optimized the scale and layout of production capacity and led the industrial optimization and upgrading.
- ④ Vigorously developing renewable energy and increasing the proportion of green electricity application. Enterprises actively built rooftop photovoltaic power generation projects. As of the end of June, the Group had built a total of 34 grid-connected projects with an installed capacity of about 108MW, including 12 grid-connected projects in the first half of 2024, and the cumulative rooftop photovoltaic power generation exceeded 30 million kWh.
- ⑤ Strengthening the cultivation of professional ability. The Group held the 2024 Dual Carbon Planning Training Course and the Group-wide seminar on energy saving and carbon reduction. A number of subordinate segments and enterprises have held trainings related to "dual carbon".
- ⑥ Carrying out demonstration and promotion of energy saving and carbon reduction projects. For example, around the energy-saving transformation of air compressors, container enterprises promoted the application of the management system of intelligent air compressors, and vehicle enterprises explored the energy performance contracting mechanism to transform air compressors. For example, many enterprises studied the establishment and declaration of near-zero carbon factories.
- ⑦ Establishing a green and low-carbon culture. Several enterprises engaged in tree planting activities on the Tree Planting Day. A number of enterprises carried out related activities on the "6.5 Environment Day" and in energy-saving publicity week. For example, CIMC Transportation Technology launched the "Green Action Plan" for nurturing and protecting green spaces for three consecutive years, and organized member enterprises to launch a series of activities for nurturing and protecting green spaces.

## Chapter V Environmental and Social Responsibilities

### (2) Researching and developing and delivering more green and low-carbon products to help customers and society save energy and reduce carbon.

The Group increased the supply of green and low-carbon products. Green and low-carbon products were included in the strategic planning of scientific and technological innovation of the Group. The Group guided enterprises to adopt green design, choose green materials and recycle resources. For example, the Group explored the research and development of composite material containers. The verification of product carbon footprint has been completed for a number of products. The Group vigorously explored and developed green and low-carbon industries, such as exploring transnational low-carbon logistics demonstration projects. The Group accelerated the cultivation of competitive green and low-carbon businesses, such as multimodal transport, hydrogen energy, green methanol, offshore wind power, offshore photovoltaics, supporting industrial chains for new energy vehicles, and recycled load.

### Other relevant environmental information

- (1) A total of 82 subsidiaries of the Group have passed ISO14001 environmental management system certification.
- (2) During the Reporting Period, two of the Group's enterprises were selected as provincial green factories: Luoyang CIMC Lingyu Automobile Co., Ltd. and Zhumadian CIMC Huajun Casting Co., Ltd.
- (3) During the Reporting Period, four of the Group's enterprises were selected as municipal green factories: Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd., Qingdao CIMC Reefer Trailer Co., Ltd., Qingdao CIMC Chuangying Composites Co., Ltd., and Enric (Lang fang) Energy Equipment Integration Co., Ltd..

## II. SOCIAL RESPONSIBILITY

Led by our vision of "becoming a high-quality and respected world-class enterprise", CIMC Group is firmly committed to the concept of sustainable development. The Group has published the sustainability reports for many consecutive years, proactively disclosing to all stakeholders CIMC's efforts in fulfilling social responsibilities and practicing ESG at a high standard. Details of the Group's social responsibility performance in 2023 are set out in the "2023 Social Responsibility & Environmental, Social and Governance Report" published by the Company on the websites of CNINF (<http://www.cninfo.com.cn>), the Company ([www.cimc.com](http://www.cimc.com)) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 27 March 2024, respectively.

## Chapter V Environmental and Social Responsibilities

### III. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALISATION

CIMC Group actively responded to the national strategy of “Rural Revitalisation”, coordinated its internal and external advantageous resources, continuously promoted the direction of “industrial support + public welfare donation support”, and actively explored and empowered the modernisation of agriculture and rural areas in combination with the advantages of CIMC’s logistics and energy equipment, contributing to serving rural revitalisation and promoting common prosperity with “CIMC’s energy”.

#### (1) Strengthen industries to inject new vitality into the rural economy

**Fully leveraging our business advantages and relying on local characteristic resources, we have developed several advantageous and distinctive industries to support local industrial revitalisation.**

CIMC New Materials has been actively developing the local Nan bamboo industry, providing endogenous driving force for local development. It has established production bases in Suining and Hengyang in Hunan, and Jinzhai in Anhui, effectively supported local industrial development by leveraging the abundant local bamboo resources. Hengyang CIMC New Materials Technology Co., Ltd., which mainly produces bamboo flooring for containers, has become a leading enterprise in Leiyang’s bamboo industry.

CIMC Fibertech, an innovative technology company focusing on fiber separation and comprehensive fiber applications, has injected new impetus into local economic development by fully utilising its technological edges and innovation capabilities. Located in Gongnong Village, Bailuo Town, Jianli City, Jingzhou City, Hubei Province, the company commenced production in June 2024. It is committed to building a diversified large-scale industrial park for comprehensive fiber utilisation to support local development.

The Lipu Taro Full Cold Chain Project (Phase I) jointly built by CIMC Cold Chain and the Guangxi Zhuang Autonomous Region Co-Op Association in Lipu City, Guilin, commenced operation in the first half of 2024. Accordingly, the taro wastage has been reduced to less than 10%, the storage period extended beyond 90 days, and the factory prices have increased by 30%. The project has built a “high-speed rail” cold chain backbone network and designed innovative post-harvest processing technology, significantly reducing wastage and optimising supply chain efficiency.

#### (2) Reinforce the bottom line to enhance local guarantee and vitality

Based on the actual needs of the supported regions, we have implemented several assistance projects to help ensure local livelihoods. Our subsidiaries actively participated in Guangdong Province’s “Hundred Enterprises Helping Hundred Villages” initiative, adopted “Social Responsibility Field” in Hengdong Village, Nalong Town, Yangdong District, Yangjiang City to promote the reclamation of local fallow land, bringing rental income to villagers while creating employment for multiple villagers, thereby supporting Guangdong Province’s “High-Quality Development Project”. CIMC Safeway Technologies donated RMB300,000 to the People’s Government of Guangping Town, Ningqiang County, for the construction of a red book house in Guangping Town. Multiple enterprises under the Group have provided financial support to local villages.



## Chapter V Environmental and Social Responsibilities

### (3) Improve support systems to underpin agricultural and rural modernisation

**Leveraging our expertise in logistics and energy equipment, we continuously develop and provide products and services that support rural revitalisation, contributing CIMC's smart solutions to the national agricultural and rural modernisation process.**

The construction of infrastructure in rural areas was promoted, helping to build a beautiful and livable countryside. (1) CIMC Enric actively supported the national strategy for rural gas supply, focusing on the development of micro-pipeline systems. The company has established multiple application demonstration sites in Hubei, Zhejiang, Qinghai, Hunan and Chongqing. In 2024, its subsidiaries successfully delivered a low-carbon micro-energy network & Dongzhuang pilot project in Dongzhuang Village, Liantang Town, Qingpu District, Shanghai. (2) The "CP System Panel Concrete Series Products," independently developed by CIMC Modular Building Systems Holding Co., Ltd., promoted the extension of prefabricated construction into rural areas.

The Group promoted the storage, transportation and freshness preservation of agricultural products and enhanced the commercial processing capacity of agricultural products. (1) With excellent food safety performance, efficient unloading operation, innovative structural design and humanized operation experience, the 60-m<sup>3</sup> All-Around King Spinning-Top Tank developed by CIMC Vehicles has become a leader in the field of transportation of bulk powder materials, bringing more safe and efficient solutions for the storage and transportation of food. (2) CIMC Cold Chain provides high-quality cold chain equipment, such as deploying mobile cold storage units and pre-cooling boxes in production areas, to help extend the lifecycle of fresh products and prolong sales periods, thereby aiding the reconstruction of the rural fresh supply chain. (3) CIMC Wetrans has taken solid steps towards innovation in logistics services. In July, the first international rail-sea intermodal train loaded with sunflower seeds, operating from "Wulashanxi Railway Station to Tianjin," was launched, accelerating the globalisation of local agricultural products.

Modern ecological aquaculture technologies were promoted to improve the efficiency and quality of aquaculture. (1) CIMC Fisheries has independently developed a digital "dual circulation" aquaculture model along with various products made from the crispy snapper, offering efficient, environmentally friendly, and intelligent aquaculture technology and equipment services to the aquaculture industry. (2) Qingdao CIMC Reefer Container Manufacture Co., Ltd. has established Shandong Province's first smart aquaculture project in Aoshang Village, Jiulong Street, innovatively addressing the challenges of traditional pond shrimp farming, which is often constrained by climatic conditions that lead to disease outbreaks. (3) CIMC Environmental Protection, as a supplier of environmental protection equipment solutions and a provider of comprehensive environmental governance services, focuses on wastewater treatment from aquaculture and rural decentralised sewage/water supply treatment.

**The Group will continue to act as a cornerstone for the construction of beautiful villages, diligently work to consolidate and expand achievements in local poverty alleviation with great passion and ambition, drive substantial progress in rural revitalisation efforts, support the implementation of the "High-Quality Development Project," thus revitalising the construction of beautiful villages.**

## Chapter VI 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 VI 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 2024" as disclosed by the Company on 28 August 2024, for details on appropriation of the Group's funds by related parties of the Company for nonoperating purposes.

### 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 2024 Interim Financial Report has not been audited.

At the fifth meeting in 2024 of the tenth session of the board of directors of the Company convened on 27 March 2024, the Company proposed to appoint KPMG Huazhen LLP as the Company's accounting firm responsible for auditing financial statements and internal control matters in 2024 and submitted the proposal to the general meeting of the Company for consideration. On 26 June 2024, such matter was approved at the annual general meeting for 2023.

### 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 THE "NON-STANDARD AUDITING REPORT" FOR THE PREVIOUS YEAR

Applicable  Not applicable

## Chapter VI 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 and arbitration events

As of the end of the Reporting Period, the total litigation and arbitration amount involved in other sued cases involving the Group that are still pending was approximately RMB882 million, including the litigation against the Company and its subsidiaries by GOODPACK IBC (SINGAPORE) PTE. LTD and GOODPACK PTE. LTD (“GOODPACK” or the “Plaintiffs”), claiming USD9.8562 million, and the arbitration against the Company and its subsidiaries by GOODPACK, claiming USD19.8137 million.

The litigation and arbitration against the Company and its subsidiaries by GOODPACK are two separate proceedings. As the causes in these two proceedings are the same, and the claims filed by GOODPACK are overlapping, and the adjudication in either proceeding will materially affect that of the other. It is the Company's view that if GOODPACK prevails in one proceeding with compensation, such compensation will be deducted from the adjudication in the other proceeding and there will be no repetitive compensation. For details of the litigation and arbitration, please refer to the announcement of Company published on 1 March 2024.

## Chapter VI Significant Events

### IX. PENALTIES AND REMEDIES

Applicable  Not applicable

During the Reporting Period, there were no penalties or remedies of the Company. However, when YANG Xiong was proposed to be an independent director of the Group, the Group and YANG Xiong have made on 20 May 2022 the Declaration of the Nominator of Independent Director and the Declaration of the Candidate for Independent Director, respectively. They declared that YANG Xiong did not serve concurrently as a director, supervisor or senior management personnel of more than five companies and warranted that the above statement was true, accurate and complete and does not contain any misrepresentations, misleading statements or material omissions. Upon investigation, YANG Xiong then served concurrently as a director, supervisor or senior management personnel of more than five companies, which means the contents of above statement falls short of the fact. As the above behavior of the Group and YANG Xiong violated the requirements of first paragraph of Article 3 of the Administrative Measures for the Disclosure of Information of Listed Companies; WU Sanqiang, as the secretary to the Board of the Group, is mainly responsible for the above violations of the Group in accordance with the requirements of the second paragraph of Article 51 of the Administrative Measures for the Disclosure of Information of Listed Companies. Therefore, in February 2024, they received the decision of administrative regulatory measures entitled "Decision on the Adoption of the Measure of Issuance of Warning Letter against China International Marine Containers (Group) Co., Ltd., WU Sanqiang and YANG Xiong issued by Shenzhen CSRC. And as a result of the above-mentioned matter, YANG Xiong and the Company received a regulatory letter entitled "Regulatory letter against Yang Xiong and China International Marine Containers (Group) Co., Ltd." issued by the Shenzhen Stock Exchange.

Notwithstanding the foregoing, Mr. YANG Xiong actually still meets the qualifications and requirements for independent director then, and continues to meet the qualifications for the current independent director. The warning letter and regulatory letter have no impact on his performance of duties in the Group. Such event will not affect the normal production, operation and management activities of the Group. After receiving the abovementioned letters, the Group and related responsible persons placed great emphasis on problems as referred to therein. In light of the above, the Group will strengthen the learning and training of all directors, supervisors or senior management personnel and relevant persons on related laws and regulations of information disclosure, verify the qualification of relevant person, improve the standardized operation awareness, continually improve the quality of information disclosure and the level of standardized operation to avoid similar incidents in the future.

### 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 VI Significant Events

### XI. MATERIAL RELATED-PARTY TRANSACTIONS

#### (I) 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	Amount	Proportion to transaction amount of the same category	Whether approved cap has exceeded		Settlement method	Available market price of the same transaction category	Disclosure date	Disclosure index
								Approved cap	been exceeded				
Sinotrans & CSC Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	163,787	-	580,000	No	-	-	17 June 2022 and 3 August 2022	www.criinfo.com.cn www.hkxnews.hk www.cimc.com
		Receiving of services	Receiving of services	Regular commercial terms	-	584,082	-	4,600,000	No	-	-		
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	-	40	-	140,000	No	-	-	11 May 2022	
		Receiving of services and leasing business	Receiving of services and leasing business	Regular commercial terms	-	10,851	-	60,000	No	-	-	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	-	1,221	-	140,000	No	-	-	11 May 2022	
		Receiving of services and leasing business	Receiving of services and leasing business	Regular commercial terms	-	9,160	-	60,000	No	-	-	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	-	-	-	170,000	No	-	-	11 May 2022	
		Receiving of services	Receiving of services	Regular commercial terms	-	-	-	30,000	No	-	-	2022	
Sinotrans Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	86	-	190,000	No	-	-	11 May 2022	
		Receiving of services	Receiving of services	Regular commercial terms	-	1,024	-	30,000	No	-	-	2022	
Shenzhen Financial Leasing Company and its subsidiaries	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	106,576	-	1,410,000	No	-	-	24 February 2023	
		Purchase of goods and receiving of services	Purchase of goods and receiving of services	Regular commercial terms	-	5,906	-	100,000	No	-	-	2023	

## Chapter VI Significant Events

Related party	Relationship with the Group	Type of the related-party transaction	Details of the related-party transaction	Pricing principle	Price	Amount	Proportion to transaction amount of the same category	Whether approved cap has been exceeded			Available market price of the same transaction category	Disclosure date	Disclosure index
								Approved cap	been exceeded	Settlement method			
Shenzhen Huijin Intelligent Industry Co., Ltd. and its subsidiaries	Subsidiary of substantial shareholder	Provision of services	Provision of services	Regular commercial terms	-	121	-	50,000	No	-	-	24 February 2023	
China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. and its subsidiaries	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	58,299	-	200,000	No	-	-	26 June 2023	
China Merchants Shekou Industrial Zone Co., Ltd. and its subsidiaries	Subsidiary of substantial shareholder	Purchase of goods and receiving of services	Purchase of goods and receiving of services	Regular commercial terms	-	18,632	-	100,000	No	-	-	28 December 2023	
China Merchants Hoi Tung Trading Company Limited and its subsidiaries	Subsidiary of substantial shareholder	Purchase of goods and provision of services	Purchase of goods and provision of services	Regular commercial terms	-	5,141	-	120,000	No	-	-	2 February 2024	
Total				-	-	965,623	-	-	-	-	-	-	-

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 2024, 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

## Chapter VI Significant Events

### 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

For details of the related-party transactions relating to joint external investments of the Company during the Reporting Period, please refer to “1. Connected Transactions” of “(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules” of “XI. Material Related-party Transactions” of this chapter.

### 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

The relevant information on claims and liabilities among the related-party transactions of the Company during the Reporting Period, please refer to Note VIII. 4. (4) to “Chapter IX 2024 Interim Financial Report (Unaudited)” in this Report.

### 5. Transactions with Related Finance Companies

Applicable  Not Applicable



## Chapter VI Significant Events

### 6. Transactions between Finance Companies Controlled by the Company and Related Parties

Applicable  Not Applicable

- (1) 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 (the "Original Financial Service Agreement") with CIMC Industry & City. Pursuant to the Original Financial Services Agreement, CIMC Finance Company provides financial services to CIMC Industry & City and its subsidiaries, including deposit-taking services and loan services. The term is three years from the date when the general meeting considers and approves the agreement. The transaction limit of the Original Financial Services 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.

Considering the fact that the approved related-party transactions between CIMC Finance Company and CIMC Industry & City will be matured on 23 September 2024, on 4 June 2024, the tenth meeting in 2024 of the tenth session of the Board of the Company has considered and approved CIMC Finance Company to enter into a new Financial Services Framework Agreement with CIMC Industry & City, under which, the transaction limit remains unchanged as compared to the Original Financial Services Agreement, and the services shall be valid for a period of one year from the date of approval by the Board of the Company. The transaction is not required to submit to the general meeting of the Company for consideration.

For relevant information, please refer to the relevant announcements published by the Company on Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)), the Company's website ([www.cimc.com](http://www.cimc.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 27 August 2021, 24 September 2021 and 4 June 2024.

## Chapter VI Significant Events

1) *The deposit business of CIMC Industry & City and its subsidiaries with CIMC Finance Company:*

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Balance as at 1 January 2024 (including interest)	Amount for the period		Balance as at 30 June 2024 (including interest)
					Total amount deposited for the period (including interest)	Total amount withdrawn for the period (including interest)	
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	3,000,000	With reference to market rates	138,631	2,769,797	(2,849,516)	58,912

During the Reporting Period, the maximum daily deposit balance of CIMC Industry & City and its subsidiaries with CIMC Finance Company was RMB138,535,000, which did not exceed the agreed cap of RMB3,000,000,000.

2) *The loan business provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries:*

Unit: RMB thousand

Related party	Relationship	Credit limit	Range of interest rate	Balance as at 1 January 2024 (including interest)	Amount for the period		Balance as at 30 June 2024 (including interest)
					Total amount of loans for the current period (including interest)	Total amount of repayment for the current period (including interest)	
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	1,500,000	With reference to market rates	665,272	94,985	(20,597)	739,660

During the Reporting Period, the maximum balance of the principal of loans provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries was RMB738,504,000, which did not exceed the agreed cap of RMB1,500,000,000.

## Chapter VI Significant Events

- (2) On 23 June 2022, as considered and approved by the Directors at the 13th meeting of the Board in 2022, it was agreed that CIMC Commercial Factoring Co., Ltd. ("CIMC Factoring"), a holding subsidiary of the Company's wholly-owned subsidiary, Shenzhen CIMC Investment Co. Ltd., should provide factoring services to CIMC Industry & City and its subsidiaries. It was also agreed that the aggregate balance of the principal and interest of the related-party transactions between CIMC Factoring and CIMC Industry & City and its subsidiaries should not exceed RMB220 million ("Original Cap") for each day. The above agreements are valid from the date of approval by the Board, i.e. 23 June 2022, till 23 September 2024. Given that the imminent expiry of the validity period of the approved connected transactions between CIMC Factoring and CIMC Industry & City, therefore, on 4 June 2024, as considered and approved at the tenth meeting in 2024 of the tenth session of the Board of the Company, the aggregate principal and interest balances of the connected transactions between CIMC Factoring and CIMC Industry & City and its subsidiaries should not exceed RMB220 million for each day, which there is no change in the amount of the transactions as compared with the original one. The term is one year from the date when the general meeting considers and approves the agreement. This matter does not need to be submitted to the general meeting of the Company for consideration.

For relevant information, please refer to the relevant announcements published by the Company on Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)), the Company's website ([www.cimc.com](http://www.cimc.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 4 June 2024.

*The factoring business between CIMC Factoring and CIMC Industry & City and its subsidiaries:*

Unit: RMB thousand

Related party	Relationship	Daily cap	Range of interest rate	Balance as at 1 January 2024	Amount for the current period		Balance as at 30 June 2024
					Total increase for the period	Total decrease for the period	
CIMC Industry & City	Directors, Supervisors and senior management holding positions	220,000	With reference to market rates	-	30,000	5,000	25,000

During the Reporting Period, the maximum daily balance of the transactions between CIMC Factoring and CIMC Industry & City and its subsidiaries was RMB30,000,000, which did not exceed the agreed cap of RMB220,000,000.

- (3) On 11 May 2022, CIMC Finance Company entered into the Financial Service Framework Agreement with CIMC Leasing, pursuant to which, CIMC Finance Company is to provide financial services, including deposit-taking services, to CIMC Leasing and its subsidiaries. As agreed between the two parties in the Financial Services Framework Agreement: the maximum daily deposit balance of CIMC Leasing and its subsidiaries with CIMC Finance Company shall not exceed RMB500 million, with the interest rate of the deposits determined with reference to the market rates. The Financial Services Framework Agreement should be valid for a period of three years commencing from the date of exclusion of CIMC Leasing from the Group's consolidated financial statements on 27 May 2022. For further details, please refer to the Company's announcement published on Cninfo's website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and that of the Company ([www.cimc.com](http://www.cimc.com)) on 11 May 2022.

## Chapter VI Significant Events

The deposit business of CIMC Leasing and its subsidiaries with CIMC Finance Company:

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Balance as at 1 January 2024 (including interest)	Amount for the period		Balance as at 30 June 2024 (including interest)
					Total amount deposited for the period (including interest)	Total amount withdrawn for the period (including interest)	
CIMC Leasing	Subsidiary of substantial shareholder	500,000	With reference to market rates	103,428	7,510,791	(7,447,641)	166,578

During the Reporting Period, the maximum daily deposit balance of CIMC Leasing with CIMC Finance Company was RMB459,221,000, which did not exceed the agreed cap of RMB500,000,000.

### 7. Other Material Related-party Transactions

Applicable  Not Applicable

For details of the guarantees provided by the Group to the related parties CIMC Industry & City and CIMC Leasing, please refer to “2. Material Guarantees” of “XII. Material Contracts and Their Performances” of this chapter.

### (II) 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:

##### *Joint establishment of an industry fund by a subsidiary and a professional institution*

On 10 August 2022, as considered and approved at the fourth meeting in 2022 of the tenth session of the Board of the Company, an indirect controlling subsidiary of the Company and Vanho Capital Investment Co., Ltd.\* (萬和弘遠投資有限公司) (“Vanho Capital”) proposed to cooperate to establish the “CIMC Hongyuan Advanced Manufacturing Industry Fund (中集弘遠先進製造產業基金)”. 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%. Shenzhen Capital Group, the largest Shareholder of the Company, is the indirect controlling shareholder of Vanho Capital, therefore, the joint establishment of CIMC Hongyuan Advanced Manufacturing Industry Fund constitutes a connected transaction of the Company under the Hong Kong Listing Rules and a related-party transaction of the Company under the Listing Rules of the Shenzhen Stock Exchange.

## Chapter VI Significant Events

On 20 September 2023, in respect of the second proposed fund of the second tranche, a wholly-owned subsidiary of the Company, Vanho Capital, Shenzhen Capital Group and Shenzhen Shen-Shan Wang Peng Guiding Fund Investment Co., Ltd. (深圳市深汕望鵬引導基金投資有限公司) entered into a partnership agreement. The size of the fund is RMB700 million, of which the subsidiary of the Company contributed RMB210 million, accounting for 30% of the fund. On 6 February 2024, private investment fund filing procedures of the second fund of the second tranche fund have been completed.

For details, please refer to the announcements published by the Company on Cninfo's website ([www.cninfo.com.cn](http://www.cninfo.com.cn)), the Company's website ([www.cimc.com](http://www.cimc.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 10 August 2022, 29 August 2022, 28 November 2022, 10 March 2023, 17 April 2023, 20 September 2023 and 23 February 2024.

### 2. Continuing Connected Transactions/Ordinary Related-party Transactions

#### (1) *Continuing connected transactions/ordinary related-party transactions with Sinotrans & CSC Group*

Based on the factors such as the 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 Original Framework Agreement (entered into on 9 December 2021) will not be able to meet the future transaction needs of the parties. In this regard, on 17 June 2022, as considered and approved by the Directors at the 12th meeting of the 9th session of the Board of Directors of the Company in 2022, the Company entered into a New Framework Agreement on Sale of Goods and Provision/Acceptance of Services (the "Sinotrans & CSC Framework Agreement") with Sinotrans & CSC, which set forth the new proposed caps for both parties for 2022, 2023 and 2024.

Sinotrans & CSC is a wholly-owned subsidiary of China Merchants Group Limited, a substantial shareholder of the Company, and Sinotrans & CSC and its subsidiaries are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules and the transactions between the Group and Sinotrans & CSC Group under the Sinotrans & CSC Framework Agreement constitute continuing connected transactions for the Company. In addition, Sinotrans & CSC and its subsidiaries are related legal entities of the Company under Chapter 6 of the Shenzhen Listing Rules and the transactions between the Group and Sinotrans & CSC Group under the Sinotrans & CSC Framework Agreement constitute ordinary related-party transactions for the Company. On 3 August 2022, the issue was considered and approved by the Shareholders at the first extraordinary general meeting of the Company in 2022.

## Chapter VI Significant Events

Set out below are the proposed caps for the continuing connected transactions/ordinary related-party transactions under the Sinotrans & CSC Framework Agreement for the three years ended/ending 31 December 2022, 2023 and 2024 and the actual transaction amounts for the six months ended 30 June 2024:

Unit: RMB thousand

Scope of connected/related-party transaction	Proposed cap			Actual transaction amounts
	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ending 31 December 2024	For the six months ended 30 June 2024
Sale of goods and rendering of services by the Group to Sinotrans & CSC Group	520,000	550,000	580,000	163,787
Receipt of services by the Group from Sinotrans & CSC Group	4,200,000	4,400,000	4,600,000	584,082

For relevant information, please refer to the announcements published by the Company on Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the Company's website ([www.cimc.com](http://www.cimc.com)) on 9 December 2021, 17 June 2022 and 3 August 2022.

(2) *Continuing connected transactions/ordinary related-party transactions with the 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 relevant agreements with China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans, respectively. Pursuant to the agreements, the Group will continuously sell goods and provide services to, and receive services and/or leasing businesses from the other parties. All the parties have agreed on the proposed caps for the transactions for the three years ended/ending 31 December 2022, 2023 and 2024 (the four agreements signed collectively referred to as the "China Merchants Subsidiaries Framework Agreements").

China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans are all subsidiaries of China Merchants Group, a substantial shareholder of the Company. Therefore, China Merchants Port, Liaoning Port, China Merchants RORO, Sinotrans and their respective subsidiaries are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules and the transactions under the China Merchants Subsidiaries Framework Agreements constitute continuing connected transactions for the Company. In addition, China Merchants Port, Liaoning Port, China Merchants RORO, Sinotrans and their respective subsidiaries are related legal entities of the Company under Chapter 6 of the Shenzhen Listing Rules and the transactions under the China Merchants Subsidiaries Framework Agreements constitute ordinary related-party transactions for the Company.

## Chapter VI Significant Events

The proposed caps for the continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2022, 2023 and 2024 and the actual transaction amounts for the six months ended 30 June 2024:

Unit: RMB thousand

Connected/related party	Scope of connected/related-party transaction	Proposed cap			Actual transaction amounts
		For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ending 31 December 2024	For the six months ended 30 June 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	40
	Receipt of services and leasing business by the Group from China Merchants Port Group	60,000	60,000	60,000	10,851
Liaoning Port Group	Sale of goods and provision of services by the Group to Liaoning Port Group	140,000	140,000	140,000	1,221
	Receipt of services and leasing business by the Group from Liaoning Port Group	60,000	60,000	60,000	9,160
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	-
	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	86
	Receipt of services by the Group from Sinotrans Group	30,000	30,000	30,000	1,024

For relevant information, please refer to the announcement published by the Company on Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the Company's website ([www.cimc.com](http://www.cimc.com)) on 11 May 2022.

## Chapter VI Significant Events

### (3) Continuing connected transactions/ordinary related-party transactions with the subsidiaries of Shenzhen Capital Group

On 11 May 2022, as considered and approved by the seventh meeting in 2022 of the ninth session of the Board of the Company, CIMC Finance Company and CIMC Leasing entered into the Financial Service Framework Agreement. On 24 February 2023, as considered and approved by the second meeting in 2023 of the tenth session of the Board of the Company, the Company entered into the relevant agreements respectively with CIMC Leasing and Shenzhen Huijin Intelligent Industry Co., Ltd. (“Huijin Intelligent”), under which, the Group will continue to provide goods and/or services to CIMC Leasing and its subsidiaries (“Leasing Company”), Huijin Intelligent and its subsidiaries (“Huijin Company”), as well as receive the goods and services provided by Leasing Company. The parties also agreed on the Proposed Caps in respect of the continuing connected transactions/ ordinary related-party transactions for the three years ended/ending 31 December 2023, 2024 and 2025 (the two agreements signed collectively known as the “Shenzhen Capital Group Subsidiaries Framework Agreements”).

CIMC Leasing and Huijin Intelligent are subsidiaries of Shenzhen Capital Group, the largest shareholder of the Company. Under Chapter 14A of the Hong Kong Listing Rules, as Leasing Company and Huijin Company are connected persons of the Company, the transactions under the Shenzhen Capital Group Subsidiaries Framework Agreements and the Financial Service Framework Agreement constitute continuing connected transactions of the Company. Further, according to Chapter 6 of the Shenzhen Listing Rules, Leasing Company and Huijin Company are related legal persons of the Company, and the transactions under the Shenzhen Capital Group Subsidiaries Framework Agreements and the Financial Service Framework Agreement constitute ordinary related-party transactions of the Company.

- a. The Shenzhen Capital Group Subsidiaries Framework Agreements provided the proposed caps of continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2023, 2024 and 2025. The proposed caps under the Shenzhen Capital Group Subsidiaries Framework Agreements and the actual transaction amounts for the six months ended 30 June 2024 are shown below:

Unit: RMB thousand

Connected/related party	Scope of connected/related-party transaction	Proposed cap		Actual transaction amounts	
		For the year ended 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the six months ended 30 June 2024
Leasing Company	Sale of goods and provision of services by the Group	1,410,000	1,410,000	1,410,000	106,576
	Purchase of goods and receipt of services by the Group	100,000	100,000	100,000	5,906
Huijin Company	Provision of services by the Group	50,000	50,000	50,000	121

- b. For details of the Financial Service Framework Agreement, 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.



## Chapter VI Significant Events

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 and 24 February 2023.

### (4) Continuing connected transactions with SIPG Group

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 relevant agreement with SIPG (the "SIPG Group Framework Agreement") to agree on the proposed caps in respect of the transactions for the three years from 1 January 2022 to 31 December 2024. 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 SIPG Group 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 ended/ending 31 December 2022, 2023 and 2024 and the actual transaction amounts for the six months ended 30 June 2024 are shown below:

Unit: RMB thousand

Scope of connected transaction	Proposed cap			Actual transaction amounts
	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ending 31 December 2024	For the six months ended 30 June 2024
Sale of goods and rendering of services by the Group to SIPG Group	400,000	400,000	500,000	34,596
Receipt of services by the Group from SIPG Group	1,300,000	1,300,000	1,400,000	417,920

### (5) Continuing connected transactions/ordinary related-party transactions with China Merchants Offshore Engineering Investment Shenzhen Co., Ltd.

On 26 June 2023, as considered and approved at the twelfth meeting in 2023 of the tenth session of the Board of the Company, China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (hereinafter referred to as the "CMOEI", together with its subsidiaries "CMOEI Group") signed relevant agreement (the "CMOEI Framework Agreement") with the Company, and published the announcement titled "Continuing Connection Transactions" on 26 June 2023, the Group would continue to provide goods and services to the CMOEI Group and it was agreed that the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2023, 2024 and 2025.

## Chapter VI Significant Events

AS CMOEI is a wholly-owned subsidiary of China Merchants Group, a substantial shareholder of the Company, according to Chapter 14A of the Hong Kong Listing Rules, CMOEI Group is a connected person of the Company; therefore, the transactions under CMOEI Framework Agreement contemplated between the Group and CMOEI Group constitute continuing connected transactions of the Company. Meanwhile, according to Chapter 6 of the Shenzhen Listing Rules, CMOEI Group is a related legal person of the Company, and the transactions under CMOEI Framework Agreement contemplated between the Group and CMOEI Group constitute ordinary related-party transactions of the Company.

The proposed caps of continuing connected transactions/ordinary related-party transactions agreed for the three years ended/ending 31 December 2023, 2024 and 2025 and the actual transaction amounts for the six months ended 30 June 2024 are shown below:

Unit: RMB thousand

Scope of connected/ related-party transaction	Proposed cap			Actual transaction amounts For the six months ended
	For the year ended 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	30 June 2024
Sale of goods and rendering of services by the Group to CMOEI Group	200,000	200,000	200,000	58,299

(6) *Continuing connected transactions/ordinary related-party transactions with China Merchants Shekou Industrial Zone Holdings Co., Ltd.*

On 28 December 2023, the twenty-fifth meeting of the tenth session of the Board of the Company in 2023 considered and approved the relevant agreements (hereinafter referred to as the "China Merchants Shekou Framework Agreements") signed between the Company and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) (hereinafter referred to as the "China Merchants Shekou", together with its subsidiaries, "China Merchants Shekou Group"), which provided that the Group shall provide goods to China Merchants Shekou Group on an ongoing basis and receive goods and services provided by China Merchants Shekou Group, and agreed on the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ending 31 December 2024, 2025 and 2026. China Merchants Shekou is a subsidiary of China Merchants Group, the substantial shareholder of the Company; as a result, China Merchants Shekou Group is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions between the Group and China Merchants Shekou Group under the China Merchants Shekou Framework Agreements constitute continuing connected transactions of the Company. In addition, as stipulated by the provisions of Chapter 6 of the Shenzhen Listing Rules, China Merchants Shekou Group is a related legal person of the Company, and therefore the transactions between the Group and China Merchants Shekou Group under the China Merchants Shekou Framework Agreements constitute ordinary related-party transactions of the Company.

## Chapter VI Significant Events

The proposed caps for the continuing connected transactions/ordinary related-party transactions agreed for the three years ending 31 December 2024, 2025 and 2026 and the actual transaction amounts incurred for the six months ended 30 June 2024 are as follows:

Unit: RMB thousand

Scope of connected/ related-party transaction	Proposed cap			Actual transaction amounts
	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the six months ended 30 June 2024
Sale of goods by the Group to China Merchants Shekou Group	10,000	10,000	10,000	685
Purchase of goods and receipt of services by the Group from China Merchants Shekou Group	100,000	100,000	100,000	18,632

(7) *Continuing connected transactions/ordinary related-party transactions with China Merchants Hoi Tung Trading Company Limited*

On 2 February 2024, the first meeting of the tenth session of the Board of the Company in 2024 considered and approved the relevant agreements (“China Merchants Hoi Tung Framework Agreements”) signed between the Company and China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) (“China Merchants Hoi Tung”, together with its subsidiaries, “China Merchants Hoi Tung Group”), which provided that the Group shall provide goods and services to China Merchants Hoi Tung Group on an ongoing basis and receive goods and services provided by China Merchants Hoi Tung Group, and agreed on the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ending 31 December 2024, 2025 and 2026. China Merchants Hoi Tung is a subsidiary of China Merchants Group, the substantial shareholder of the Company; as a result, China Merchants Hoi Tung Group is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions between the Group and China Merchants Hoi Tung Group under the China Merchants Hoi Tung Framework Agreements constitute continuing connected transactions of the Company. In addition, as stipulated by the provisions of Chapter 6 of the Shenzhen Listing Rules, China Merchants Hoi Tung Group is an associated corporation of the Company, and therefore the transactions between the Group and China Merchants Hoi Tung Group under the China Merchants Hoi Tung Framework Agreements constitute ordinary related-party transactions of the Company.

## Chapter VI Significant Events

The proposed caps for the continuing connected transactions/ordinary related-party transactions agreed for the three years ending 31 December 2024, 2025 and 2026 and the actual transaction amounts incurred for the six months ended 30 June 2024 are as follows:

Unit: RMB thousand

Scope of connected/ related-party transaction	Proposed cap			Actual transaction amounts
	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the six months ended 30 June 2024
Sale of goods and rendering of services by the Group to China Merchants Hoi Tung Group	10,000	10,000	10,000	12
Purchase of goods by the Group from China Merchants Hoi Tung Group	120,000	120,000	120,000	5,141

(8) *Pricing Policy:*

As far as the Group or each related party/connected person (as applicable) is concerned, the prices and terms relating to the continuing connected transactions/ordinary related-party transactions among the Group and Sinotrans & CSC Group, China Merchants Port Group, Liaoning Port Group, China Merchants RORO Group, Sinotrans Group, Leasing Company, Huijin Company, CMOEI Group, China Merchants Shekou Group and China Merchants Hoi Tung Group, the continuing connected transactions between the Group and SIPG Group, the related-party transaction between CIMC Finance Company, which is a subsidiary of the Group, and CIMC Industry & City and its subsidiaries, the related-party transaction between CIMC Factoring, which is a subsidiary of the Group, and CIMC Industry & City and its subsidiaries, the connected/related-party transaction between CIMC Finance Company, which is a subsidiary of the Group, and CIMC Leasing and its subsidiaries (the "Transactions"), will not deviate from the prices and terms offered by the Group or each related party/connected person (as applicable) for the supply or receiving of similar goods and/or services to and from independent third parties, and will make reference to at least two contemporaneous transactions of similar volume or quality with unrelated third parties. In addition, the relevant departments of the Group will regularly conduct a comprehensive analysis of the profitability of the supply or receiving of similar goods and/or services to and from different customers (including each related party/connected person and independent third-party customers), review the profit contribution of different customers and reflect the analysis results to the business departments for reference in making pricing adjustment decisions.

## Chapter VI Significant Events

### (9) Others

Details of the Group's related parties and related-party transactions during the 2024 Interim Report period are set out in note VIII. 5 to "Chapter IX 2024 Interim Financial Report (Unaudited)" in the 2024 Interim Report. Except for the connected transactions and the continuing connected transactions as disclosed in "(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules" of "XI. Material Related-party Transactions" of this chapter, in respect of the connected transactions set out in note VIII. 5 to "Chapter IX 2024 Interim Financial Report (Unaudited)" in the 2024 Interim 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.

## XII. MATERIAL CONTRACTS AND THEIR PERFORMANCES

### 1. Trusteeship, Contracting and 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 VI 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	27 March 2024	2,800,000	1 January 2024	195,572	Warrantice	Nil	Nil	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.	27 March 2024	15,000	1 January 2024	5,518	Warrantice	Secured	Nil	1-2 years	No	No
Customers of Kunming CIMC Vehicle Park Development Co., Ltd.	27 March 2024	40,000	1 January 2024	0	Warrantice	Nil	Nil	Not applicable	No	No
C&C Trucks Co., Ltd.	27 March 2024	480,000	1 January 2024	129,150	Warrantice	Nil	Nil	1-2 years	No	No
CIMC Industry & City	27 March 2024	1,570,000	1 January 2024	235,739	Warrantice	Nil	Secured	1-2 years	No	Yes
Shenzhen Financial Leasing Company	27 March 2024	4,100,000	1 January 2024	1,004,129	Warrantice	Nil	Nil	1-2 years	No	Yes
Guizhou Shuigang New Energy Co., Ltd.	27 March 2024	100,000	1 January 2024	0	Warrantice	Nil	Nil	Not applicable	No	No
Yichuan Tianyun Clean Energy Co., Ltd.	27 March 2024	60,000	1 January 2024	51,829	Warrantice	Nil	Nil	1-2 years	No	No
CIMC-Hexagon Hydrogen Energy Technologies Limited	27 March 2024	100,000	1 January 2024	0	Warrantice	Nil	Nil	Not applicable	No	No
Zhaoqing Runqing Water Transportation Limited	27 March 2024	100,000	1 January 2024	0	Warrantice	Nil	Nil	Not applicable	No	No
Total external guarantee facilities approved during the Reporting Period (A1)			9,365,000	Total actual amount of external guarantees during the Reporting Period (A2)					363,566	
Total external guarantee facilities approved at the end of the Reporting Period (A3)			9,365,000	Total actual balance of external guarantees at the end of the Reporting Period (A4)					1,621,937	

## Chapter VI 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 the Group (with gearing ratio of over 70%)	27 March 2024	20,000,000	1 January 2024	11,908,239	Warranty	Nil	Partially secured	1-2 years	No	No
Subsidiaries of the Group (with gearing ratio of less than 70%)	27 March 2024	2,000,000	1 January 2024	1,945,543	Warranty	Nil	Partially secured	1-2 years	No	No
Overseas holding subsidiaries of CIMC	27 March 2024	28,000,000	1 January 2024	17,282,592	Warranty	Nil	Nil	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)		50,000,000		Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)						5,582,769
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)		50,000,000		Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)						31,136,374

### 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%)	27 March 2024	15,295,000	1 January 2024	5,292,565	Warranty	Nil	Partially secured	1-2 years	No	No
Guarantee of one subsidiary for another (with gearing ratio of less than 70%)	27 March 2024	10,340,000	1 January 2024	4,423,637	Warranty	Nil	Partially secured	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)		25,635,000		Total actual guarantee amount for subsidiaries during the Reporting Period (C2)						2,896,577
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)		25,635,000		Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)						9,716,202

## Chapter VI Significant Events

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)	8,842,912
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)	42,474,513
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company			85.16%
Including:			
Guarantee balance provided to Shareholders, the de facto controller and related parties (D)			1,004,129
Debt guarantee balance provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)			34,719,135
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)			35,723,264
Guarantees which are not due but have incurred guarantee liability or are likely to incur joint settlement liability during the Reporting Period (if any)			-
Guarantees provided to the external parties in violation of the procedures (if any)			-

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

### 3. Entrusted Wealth Management

Applicable  Not applicable

Unit: RMB thousand

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	5,800,000	2,000,000	0	0
Money market funds	Funds in hand	875,789	350,235	0	0
Total		6,675,789	2,350,235	0	0

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

Applicable  Not applicable

Unable to recover the principal of entrusted wealth management or other circumstances that may result in impairment.

Applicable  Not applicable



## Chapter VI Significant Events

### 4. Other Material Contracts

Applicable  Not applicable

### XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

- (1) On 16 November 2023, the Company held the nineteenth meeting of tenth session of the Board in 2023 to consider and approve the proposal of repurchasing a portion of A Shares by the total capital not exceeding RMB300 million (inclusive), but not falling below RMB200 million (inclusive), at the repurchase price of not more than RMB10.20 per share (inclusive). In January 2024, the Company repurchased a total of 24,645,550 A shares by way of centralized bidding trading at the maximum purchase price of RMB8.45 per share and the minimum purchase price of RMB7.73 per share, with the total capital amounting to RMB200,067,828.50 (exclusive of transaction fees). As at 31 January 2024, the Company completed the repurchase of a portion of A shares.
- (2) For the litigation and arbitration between the Group's eight subsidiaries including Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) and Tianjin CIMC Logistics Equipment Co., Ltd. (天津中集物流裝備有限公司) and GOODPACK IBC (SINGAPORE) PTE. LTD and GOODPACK PTE. LTD, to date, the first trial has not yet been formally heard and was in a suspended state; the arbitral tribunal of the arbitration has just been formed and has not yet been formally heard. The Group has engaged external legal advisers in respect of the aforesaid case. However, as the relevant legal proceeding is still at an early stage, the management believes that there are inherent uncertainties in the timing and outcome of the conclusions to date, and the Group is unable to reliably estimate the amount of liabilities that may arise, if any. Therefore, the litigation constitutes a contingent liability of the Group, for which the Group has not made any provision in the financial statements and is unable to anticipate the possible impact on the Group's financial statements in the future at this stage. For details, please refer to note X.2 to "Chapter IX 2024 Interim Financial Report (Unaudited)" in this Report.

## Chapter VI Significant Events

- (3) On 12 March 2024, the Company received a notification letter from Shenzhen Capital Group, the largest shareholder of the Company, that Shenzhen Capital Group proposed to transfer A shares of the Company held by it, representing 5.10% of the total share capital of the Company, under agreement through public solicitation of transferee(s). On 15 May 2024, as informed by Shenzhen Capital Group, the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government had agreed with the public solicitation of transfer in principle through the state-owned equity management information system of listed companies (上市公司國有股權管理信息系統). On 1 July 2024, as informed by Shenzhen Capital Group, it had confirmed that Shenzhen Liye Industrial Group Co., Ltd. ("Liye Industrial") was the transferee of the public solicitation of transfer according to announced rules and Shenzhen Capital Group had signed a share transfer agreement with Liye Industrial. Currently, the registration of share transfer in relation to the above public solicitation of transfer has been completed, and the transfer date is 14 August 2024. After the transfer, Shenzhen Capital Group remains as the largest shareholder of the Company.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Regarding repurchasing a portion of A Shares	2 January 2024, 15 January 2024, 2 February 2024 and 6 February 2024	
Regarding the litigation and arbitration of the Company and its subsidiaries	1 March 2024	<a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> <a href="http://www.cimc.com">www.cimc.com</a>
Regarding proposal of the largest shareholder to transfer certain shares of the Company through public solicitation for transfer	12 March 2024, 15 May 2024, 1 July 2024 and 14 August 2024	

## Chapter VI Significant Events

### XIV. OTHER SIGNIFICANT EVENTS OF SUBSIDIARIES

Applicable  Not applicable

- (1) On 11 March 2024, the Company published an announcement in relation to the conditional cash offer to buy-back all the issued H shares of CIMC Vehicles (other than those held by the Company and its concert parties) at HK\$7.5 per H Share (the "H Share Buy-back Offer of CIMC Vehicles") and the proposed voluntary withdrawal of listing of H shares of CIMC Vehicles from the Hong Kong Stock Exchange (the "Voluntary Withdrawal of Listing of CIMC Vehicles") made by CIMC Vehicles. On 18 April 2024, CIMC Vehicles convened the Second Extraordinary General Meeting in 2024, the First A Shareholders Class Meeting in 2024 and the First H Shareholders Class Meeting in 2024, at which the relevant resolutions on the H Share Buy-back Offer of CIMC Vehicles and the Voluntary Withdrawal of Listing of CIMC Vehicles were considered and approved. On 2 May 2024, all the conditions of the H Share Buy-back Offer of CIMC Vehicles and the Voluntary Withdrawal of Listing of CIMC Vehicles had been fulfilled. The H Share Buy-back Offer of CIMC Vehicles was closed at 4:00 p.m. (Hong Kong time) on Thursday, 30 May 2024. The listing of the H shares of CIMC Vehicles on the Hong Kong Stock Exchange was withdrawn with effect from 4:00 p.m. on Monday, 3 June 2024.
- (2) On 28 June 2024, Advanced Manufacturing Industry Investment Fund (Limited Partnership), Future Industry Investment Co., Limited, the Company, China International Marine Containers (Hong Kong) Limited ("CIMC HK") and CIMC Offshore Holdings Limited ("CIMC Offshore") signed the Equity Transfer Agreement in respect of CIMC Offshore Holdings Limited. The signing parties unanimously agreed that Future Industry Investment Co., Limited will transfer its 15% equity interest held in CIMC Offshore to CIMC HK for the consideration for equity transfer of RMB12,805.7 thousand. At the same time, as the consideration for equity transfer is less than the sum of the consideration for the capital increase by introduction of strategic investor and annualised earnings calculated at 5.2% (compound interest), the Company and CIMC HK shall fulfill the obligation of making up for shortfall in the amount of RMB1,413,163.6 thousand. Upon completion of this equity transfer, CIMC HK will hold 100% equity interest in CIMC Offshore in aggregate, and CIMC Offshore will become a wholly-owned subsidiary of the Company.

## Chapter VI Significant Events

- (3) On 27 December 2023, the Company held the twenty-fourth meeting in 2023 of the tenth session of the Board, at which the Resolution Regarding Matters Relating to the Listing Plan of a Controlling Subsidiary CIMC Liquid Process Technologies Co., Ltd. was considered and approved. The Board approved the listing plan of CIMC LPT, an indirect controlling subsidiary of the Company, namely the application for quotation on the National Equities Exchange and Quotations System (the “NEEQ”) and preparation for listing on the Beijing Stock Exchange by CIMC LPT. On 29 December 2023, CIMC LPT submitted an application to the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司) (“NEEQ Co., Ltd.”) for quotation of its shares on the NEEQ, which was accepted by the NEEQ Co., Ltd. on the same day. On 28 June 2024, CIMC LPT received the letter on “Approving the public transfer and quotation of shares of CIMC Liquid Process Technologies Co., Ltd. on the NEEQ” issued by the NEEQ Co., Ltd., approving the quotation of shares of CIMC LPT on the NEEQ. The public transfer of CIMC LPT on the NEEQ has commenced on 8 August 2024. After the quotation of its shares on the NEEQ, CIMC LPT remains as a controlling subsidiary within the scope of the Company’s consolidated statements, the independent listing status of the Company will not be affected, and the financial conditions, operating results and operation on a going concern basis of the Company will not be materially affected.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Regarding the conditional cash offer made by the controlling subsidiary CIMC Vehicles for the repurchase of H shares and the voluntary delisting of H shares	11 March 2024, 18 April 2024 and 30 May 2024	
Progress update of capital increase by introduction of strategic investor of the subsidiaries	1 July 2024	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
Regarding the letter on approving the quotation on the National Equities Exchange and Quotations System received by CIMC LPT	1 July 2024 and 7 August 2024	

### XV. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Applicable     Not applicable

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### I. CHANGES IN SHARE CAPITAL DURING THE REPORTING PERIOD

#### 1. Changes in Share Capital

Unit: Share

	Pre-movement (As at 31 December 2023)		Increase/decrease (+/-)					Post-movement (As at 30 June 2024)	
	Numbers of shares	Percentage	New issue	Bonus issue	Conversion			Numbers of shares	Percentage
					from reserves	Others	Sub-total		
I. Shares with selling restrictions	1,275,349	0.02%	0	0	0	0	0	1,275,349	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	1,275,349	0.02%	0	0	0	0	0	1,275,349	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	1,275,349	0.02%	0	0	0	0	0	1,275,349	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	5,391,245,036	99.98%	0	0	0	0	0	5,391,245,036	99.98%
1. RMB- denominated ordinary shares (A Shares)	2,301,407,141	42.68%	0	0	0	0	0	2,301,407,141	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)	3,089,837,895	57.30%	0	0	0	0	0	3,089,837,895	57.30%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	5,392,520,385	100.00%	0	0	0	0	0	5,392,520,385	100.00%

#### Approval for changes in share capital

Applicable     Not applicable

#### Transfer for changes in shares

Applicable     Not applicable

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### Progress in the repurchase of shares

Applicable  Not applicable

During the period from 15 January 2024 to 31 January 2024, the Company repurchased a total of 24,645,550 A shares by way of centralized bidding trading through its specific securities account for repurchase, representing 0.4570% of the issued share capital of the Company. The highest trading price of this repurchase was RMB8.45 per share and the lowest trading price was RMB7.73 per share, with the total capital amounting to RMB200,067,828.50 (exclusive of transaction fees). The repurchase of a portion of A shares of the Company had been completed in compliance with relevant laws and regulations and the established share repurchase plan of the Company.

### 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

### 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	667,849	0	0	667,849	Shares are subject to selling restrictions in accordance with relevant provisions of stock exchanges and clearing companies.	Nil
Huang Tianhua	607,500	0	0	607,500	Same as above	Nil
Total	1,275,349	0	0	1,275,349	--	--

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### II. ISSUE AND LISTING OF SECURITIES

Applicable  Not applicable

### III. NUMBER OF SHAREHOLDERS AND THEIR SHAREHOLDINGS IN THE COMPANY

The total number of Shareholders of the Company as at 30 June 2024 was 77,217, including 77,187 holders of A Shares and 30 registered holders of H Shares.

Unit: Share

<b>Total ordinary Shareholders at the end of the Reporting Period</b>	Total: 77,217 (Including: A Shares: 77,187, H Shares: 30)	<b>Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any)</b>	0
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## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### Shareholdings of the ordinary Shareholders who held 5% or above or the top ten ordinary Shareholders (excluding the lending of shares through refinancing)

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	58.40%	3,149,071,041	13,971,688	-	3,149,071,041	-	-
Shenzhen Capital Group (Note 2)	State-owned legal person	9.74%	525,000,000	-	-	525,000,000	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No.10 Yiluo private equity investment fund	Others	1.05%	56,759,142	12,843,940	-	56,759,142	-	-
China Life Insurance Co., Ltd. – Traditional-Ordinary Insurance Products-005L-CT001Hu	Others	0.99%	53,198,523	41,705,579	-	53,198,523	-	-
Miao Yanfen (苗艷芬)	Domestic natural person	0.84%	45,122,786	-	-	45,122,786	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund	Others	0.78%	41,813,564	(22,659,058)	-	41,813,564	-	-
The National Social Security Fund 107 Composition	Others	0.61%	32,635,191	32,635,191	-	32,635,191	-	-
The National Social Security Fund 414 Composition	Others	0.60%	32,481,778	32,481,778	-	32,481,778	-	-
CITIC Prudential Life Insurance Co., Ltd. – participating products (Note 3)	Others	0.55%	29,599,947	-	-	29,599,947	-	-
Fu Xuan (付璇)	Domestic natural person	0.42%	22,859,382	202,500	-	22,859,382	-	-
Strategic investors or ordinary legal persons who became top ten ordinary Shareholders due to placing of new shares (if any)	None							
Explanation on the related relationship or concerted action of the above Shareholders	Saved as disclosed in Notes 1-3, the Company is not aware of any related relationship among other shareholders, or whether they are persons acting in concert.							
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)	As at 30 June 2024, the Company held 24,645,550 shares through its special repurchase dedicated securities account, representing 0.46% of the total share capital of the Company, which were excluded from the listing of the top ten Shareholders in accordance with the requirements.							



## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### Shareholdings of top ten ordinary Shareholders without selling restrictions (excluding the lending of shares through refinancing, shares subject to selling restrictions held by executives)

Name of Shareholders	Number of ordinary shares without selling restrictions held at the end of the Reporting Period	Type of shares	
		Type of shares	Number
HKSCC (Note 1)	3,089,648,945	Overseas-listed foreign shares	3,089,648,945
	59,422,096	RMB ordinary shares	59,422,096
Shenzhen Capital Group (Note 2)	525,000,000	RMB ordinary shares	525,000,000
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No.10 Yiluo private equity investment fund	56,759,142	RMB ordinary shares	56,759,142
China Life Insurance Co., Ltd.-Traditional-Ordinary Insurance Products-005L-CT001Hu	53,198,523	RMB ordinary shares	53,198,523
Miao Yanfen (苗艷芬)	45,122,786	RMB ordinary shares	45,122,786
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund	41,813,564	RMB ordinary shares	41,813,564
The National Social Security Fund 107 Composition	32,635,191	RMB ordinary shares	32,635,191
The National Social Security Fund 414 Composition	32,481,778	RMB ordinary shares	32,481,778
CITIC Prudential Life Insurance Co., Ltd. – participating products (Note 3)	29,599,947	RMB ordinary shares	29,599,947
Fu Xuan (付璇)	22,859,382	RMB ordinary shares	22,859,382
Description of the related relationship or concerted actions between the top 10 Shareholders of tradable shares not subject to selling restrictions, and between the top 10 Shareholders of tradable shares not subject to selling restrictions and the top 10 Shareholders	Saved as disclosed in Notes 1-3, the Company is not aware of any related relationship among other shareholders, or whether they are persons acting in concert.		
Information on the top 10 ordinary Shareholders participating in the margin trading and securities lending business (if any)	1.	Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No.10 Yiluo private equity investment fund, in addition to holding 3,162,272 shares through its general securities account, also held 53,596,870 shares through its client account of collateral securities for margin trading at Caitong Securities Co., Ltd. (財通證券股份有限公司), totaling 56,759,142 shares;	
	2.	Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund, in addition to holding 10,000,300 shares through its general securities account, also held 31,813,264 shares through its client account of collateral securities for margin trading at Soochow Securities Co., Ltd. (東吳證券股份有限公司), totaling 41,813,564 shares;	
	3.	In addition to 15,604,782 shares held through general securities account, Fu Xuan also held 7,254,600 shares through its client account of collateral securities for margin trading at Haitong Securities Co., Ltd. (海通證券股份有限公司), totaling 22,859,382 shares.	

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

Note 1: As at 30 June 2024, HKSCC holds 3,149,071,041 shares of the Company, comprising 59,422,096 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 3,089,648,945 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) 1,320,643,830 H shares held by China Merchants Group through its subsidiaries (including China Merchants (CIMC) Investment Limited etc.), and the 1,078,634,297 H shares directly held by Shenzhen Capital Group through its wholly-owned subsidiary Shenzhen Capital (Hong Kong) and the 265,990,770 H shares held by CITIC Prudential Life Insurance Co., Ltd.

Note 2: As at 30 June 2024, Shenzhen Capital Group held 1,078,634,297 H shares of the Company which were registered under HKSCC NOMINEES LIMITED (see note 1 above) and 525,000,000 A shares of the Company.

Note 3: As at 30 June 2024, CITIC Prudential Life Insurance Co., Ltd. held 29,599,947 A shares of the Company and another 265,990,770 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.

### Particulars of participation of Shareholders holding more than 5% of shares, the top 10 Shareholders and the top 10 Shareholders of tradable shares not subject to selling restrictions in lending shares through refinancing

Applicable  Not Applicable

### Changes in the top 10 shareholders and the top 10 Shareholders of tradable shares not subject to selling restrictions from the previous period due to share lending/returning of refinancing

Applicable  Not Applicable

## 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 granted at the beginning of the Reporting Period (shares)	Number of restricted shares granted during the Reporting Period (shares)	Number of restricted shares granted at the end of the Reporting Period (shares)
Mai Boliang	Chairman, executive director	Current	890,465 (A Shares)	0	0	890,465 (A Shares)	0	0	0
Huang Tianhua	Vice president	Current	810,000 (A Shares)	0	0	810,000 (A Shares)	0	0	0
Total	-	-	1,700,465	0	0	1,700,465	0	0	0

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### V. CHANGE OF CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLER

#### 1. Controlling Shareholders of the Company

Applicable  Not applicable

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

#### 2. De Facto Controller

Applicable  Not applicable

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

### VI. DISCLOSURE OF SHAREHOLDINGS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES UNDER THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG

So far as the Directors are aware, as at 30 June 2024, 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 Securities and Futures Ordinance 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	525,000,000 (L)	Interest of corporation controlled by the substantial shareholder	22.80%	9.74%
	H Shares	1,078,634,297 (L)	Interest of corporation controlled by the substantial shareholder	34.91%	20.00%
China Merchants Group (Note 2)	H Shares	1,320,643,830(L)	Interest of corporation controlled by the substantial shareholder	42.74%	24.49%
CITIC Prudential Life Insurance Co., Ltd.	A Shares	29,599,947 (L)	Beneficial holder	1.29%	0.55%
	H Shares	265,990,770 (L)	Beneficial holder	8.61%	4.93%

(L) Long position

Note 1: As at 30 June 2024, Shenzhen Capital Group has an interest in A Shares of the Company, being 525,000,000 A Shares (L), and holds an interest in H shares of the Company, being 1,078,634,297 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 2024, 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 1,320,643,830 H Shares long position (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 2024, 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 VII Changes in Share Capital and Shareholdings of Shareholders

### Information on Substantial Shareholders:

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

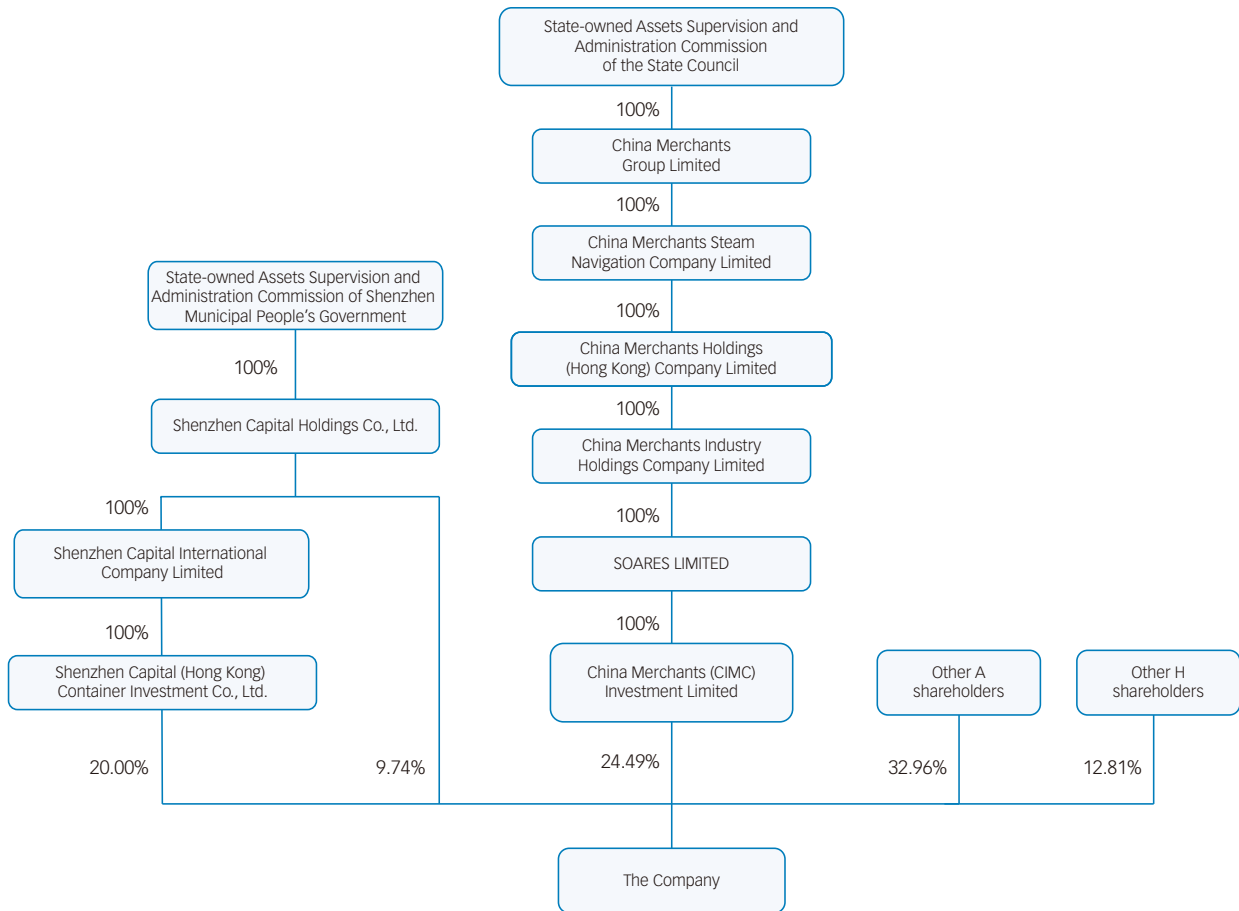
Shenzhen Capital Group was incorporated in the PRC in June 2007 with a registered capital of RMB15.42 billion and Mr. Hu Guobin as its legal representative. Shenzhen Capital Group is the state-owned municipal capital operation company in Shenzhen and one of the five municipal enterprises in Shenzhen 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 merger and acquisition, equity investment, industrial fund and market capitalization management, 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, comprehensive development of urban regions and industrial parks, as well as comprehensive health, testing and other new industries invested in recent years. As of the end of the Reporting Period, China Merchants Group through its subsidiary China Merchants (CIMC) Investment Limited held 24.49% of the issued shares of the Company and was the second largest shareholder of the Company.

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

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

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



Note: On 14 August 2024, the transfer of A shares which represented 5.10% of the total share capital of the Company by Shenzhen Capital Group to Liye Industrial was completed, after which Shenzhen Capital Group held a total of 24.64% shares of the Company.

## Chapter VII Changes in Share Capital and Shareholdings of Shareholders

### VII. PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

1. During the period from 15 January 2024 to 31 January 2024, the Company repurchased a total of 24,645,550 A shares by way of centralized bidding trading through its specific securities account for repurchase, representing 0.4570% of the issued share capital of the Company, at the maximum purchase price of RMB8.45 per share and the minimum purchase price of RMB7.73 per share, with the total capital amounting to RMB200,067,828.50 (exclusive of transaction fees). The repurchase of a portion of A shares of the Company had been completed in compliance with relevant laws and regulations and the established share repurchase plan of the Company. As at the end of the Reporting Period, the Company held 24,645,550 treasury A shares. The share repurchase is a necessary measure to protect the value of the Company and interests of shareholders and all repurchased shares will be used for sale. In the event that there is a subsequent use for employee share ownership plans or equity incentive schemes, consideration may be given to adjusting the use of portion of the repurchased shares to employee share ownership plans or equity incentive schemes.
2. On 11 March 2024, the Company published an announcement in relation to the conditional cash offer of CIMC Vehicles to buy-back all its issued H shares (other than those held by the Company and its concert parties) at HK\$7.5 per H Share (the "H Share Buy-back Offer of CIMC Vehicles") and the proposed voluntary withdrawal of listing of H shares of CIMC Vehicles from the Hong Kong Stock Exchange (the "Voluntary Withdrawal of Listing of CIMC Vehicles"). The resolutions on the H Share Buy-back Offer of CIMC Vehicles and the Voluntary Withdrawal of Listing of CIMC Vehicles were considered and approved at the second extraordinary general meeting in 2024, the first A share class meeting in 2024 and the first H share class meeting in 2024 held by CIMC Vehicles on 18 April 2024. On 2 May 2024, all the conditions of the H Share Buy-back Offer of CIMC Vehicles and the Voluntary Withdrawal of Listing of CIMC Vehicles had been fulfilled. The H Share Buy-back Offer of CIMC Vehicles was closed at 4:00 p.m. (Hong Kong time) on Thursday, 30 May 2024. The listing of the H shares of CIMC Vehicles on the Hong Kong Stock Exchange was withdrawn with effect from 4:00 p.m. on Monday, 3 June 2024. The repurchase and cancellation of H shares in respect of which the offer was accepted had been completed on 7 June 2024. For details, please refer to the announcements of the Company dated 11 March 2024, 18 April 2024 and 30 May 2024.

Save as disclosed above, the Company or any of its subsidiaries did not sell any listed securities (including treasury shares) of the Company or any of its subsidiaries, nor did it purchase or redeem any listed securities during the six months ended 30 June 2024. As at the end of the Reporting Period, the Company did not hold any treasury H shares as defined under the Hong Kong Listing Rules.

### VIII. RELEVANT INFORMATION ABOUT PREFERRED SHARES

Applicable     Not applicable

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

## Chapter VIII 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

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

### III. NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT

Applicable  Not applicable

## Chapter VIII Bonds

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

Unit: RMB100 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
The 2024 Second Tranche of Super & Short-term Commercial Papers of China International Marine Containers (Group) Co., Ltd.	24 Hai Yun Ji Zhuang SCP002	012481826.IB	2024/06/13	2024/06/14	2024/09/27	20	1.80%	The principals and interest for this tranche of super & short-term commercial papers will be paid in a lump sum when they become due	Shanghai Clearing House
The 2024 First Tranche of Medium-term Notes of CIMC Enric Holdings Limited	24 An Rui Ke Kong MTN001	102481669.IB	2024/4/22	2024/4/24	2027/4/24	5	2.43%	The interest of medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2024 Second Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	24 Hai Yun Ji Zhuang MTN002 (Technology Innovation Instrument)	102481221.IB	2024/03/26	2024/03/28	2029/3/28	20	2.81%	The interest of medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2024 First Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	24 Hai Yun Ji Zhuang MTN001 (Technology Innovation Instrument)	102481100.IB	2024/03/20	2024/03/22	No fixed expiry date	20	2.78%	The interest of the medium-term notes is paid in installments annually if the Issuer does not exercise the right of deferred payment of interest. There is no definite principal repayment date for the bonds, and the issuer will repay the principal and all outstanding interest on the redemption date	Shanghai Clearing House
The 2024 First Tranche of Super & Short-term Commercial Papers of China International Marine Containers (Group) Co., Ltd.	24 Hai Yun Ji Zhuang SCP001	012480809.IB	2024/3/8	2024/3/11	2024/6/19	20	2.09%	The principals and interest for this tranche of super & short-term commercial papers will be paid in a lump sum when they become due	Shanghai Clearing House



## Chapter VIII Bonds

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
The 2023 Fifth Tranche of Super & Short-term Commercial Papers of China International Marine Containers (Group) Co., Ltd.	23 Hai Yun Ji Zhuang SCP005	012384478.IB	2023/12/14	2023/12/15	2024/3/15	20	2.81%	The principals and interest for this tranche of super & short-term commercial papers will be paid in a lump sum when they become due	Shanghai Clearing House
The 2022 First Tranche of Green Medium-term Notes (Blue Bonds) of China International Marine Containers (Group) Co., Ltd.	22 Hai Yun Ji Zhuang GN001 (Blue Bonds)	132280052.IB	2022/05/30	2022/06/01	2025/06/01	5	2.60%	The interest of medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2022 First Medium-term Notes of China International Marine Containers (Group) Co., Ltd.	22 Hai Yun Ji Zhuang MTN001	102280282.IB	2022/02/16	2022/02/18	No fixed expiry date	20	3.21%	The interest of the medium-term notes is paid in installments annually if the Issuer does not exercise the right of deferred payment of interest. There is no definite principal repayment date for the bonds, and the issuer will repay the principal and all outstanding interest on the redemption date	Shanghai Clearing House
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

### 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

## Chapter VIII Bonds

### IV. CONVERTIBLE CORPORATE BONDS

Applicable  Not applicable

The Company did not have any convertible corporate bonds 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	1.22	1.12	8.93%
Gearing ratio	63%	60%	3.00%
Quick ratio	0.86	0.77	11.69%

	During the Reporting Period	During the same period of last year	Percentage of change
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss (RMB thousand)	820,320	976,599	(16.00%)
Debt-to-EBITDA ratio	0.11	0.13	(15.38%)
Interest coverage ratio	2.99	2.75	8.73%
Cash interest coverage ratio	0.35	3.14	(88.85%)
EBITDA interest coverage ratio	4.73	4.98	(4.02%)
Loan repayment ratio	100%	100%	0.00%
Interest repayment ratio	100%	100%	0.00%

## Chapter IX 2024 Interim Financial Report (Unaudited)

### CONSOLIDATED BALANCE SHEET

As at 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2024	31 December 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	IV.1	21,777,817	21,324,451
Financial assets held for trading	IV.2	2,488,911	337,756
Derivative financial assets	IV.3	50,499	301,355
Notes receivables	IV.4	693,722	732,199
Account receivables	IV.5	32,134,964	22,949,473
Receivables financing	IV.6	682,519	1,062,258
Other receivables	IV.7	5,201,813	4,569,110
Including: Interest receivable	IV.7	8,895	4,787
Dividends receivable	IV.7	383,666	382,747
Advances to suppliers	IV.8	8,459,014	8,483,630
Inventories	IV.9	22,396,464	19,200,102
Contract assets	IV.10	8,509,410	7,198,173
Assets held for sale	IV.11	435,685	402,175
Current portion of non-current assets	IV.12	68,244	77,490
Other current assets	IV.13	1,889,892	1,801,804
<b>Total current assets</b>		<b>104,788,954</b>	<b>88,439,976</b>
<b>Non-current assets:</b>			
Other equity investments	IV.14	1,999,779	2,168,803
Other non-current financial assets	IV.15	452,811	454,324
Long-term receivables		58,952	53,525
Long-term equity investments	IV.16	12,271,123	11,996,856
Investment properties	IV.17	1,361,374	1,369,993
Fixed assets	IV.18	40,640,340	40,354,816
Construction in progress	IV.19	4,937,925	4,483,906
Intangible assets	IV.20	5,860,866	5,873,962
Development expenditures	IV.20	23,785	18,210
Right-of-use assets	IV.21	1,126,576	1,090,950
Goodwill	IV.22	2,758,340	2,653,893
Long-term prepaid expenses	IV.23	792,744	866,306
Deferred tax assets	IV.24	1,668,941	1,514,656
Other non-current assets	IV.25	369,449	423,057
<b>Total non-current assets</b>		<b>74,323,005</b>	<b>73,323,257</b>
<b>TOTAL ASSETS</b>		<b>179,111,959</b>	<b>161,763,233</b>

## Chapter IX 2024 Interim Financial Report (Unaudited)

### CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2024	31 December 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings	IV.28	14,699,572	12,400,861
Derivative financial liabilities	IV.3	86,056	1,696,118
Financial liabilities held for trading		79,516	76,020
Notes payables	IV.29	5,508,908	4,681,963
Account payables	IV.30	25,670,873	20,181,009
Advances from customers	IV.31	6,029	11,099
Contract liabilities	IV.32	15,265,897	13,053,025
Employee benefits payable	IV.33	5,314,083	5,314,927
Liabilities classified as held for sale	IV.11	21,549	–
Taxes payable	IV.34	1,346,241	1,170,035
Other payables	IV.35	8,384,926	6,380,675
Including: Interest payable	IV.35	1,095	–
Dividends payable	IV.35	319,153	44,585
Provisions	IV.36	1,305,621	1,315,445
Current portion of non-current liabilities	IV.37	5,906,993	9,675,619
Other current liabilities	IV.38	2,650,698	3,028,367
<b>Total current liabilities</b>		<b>86,246,962</b>	<b>78,985,163</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	IV.39	19,851,116	13,523,455
Debentures payable	IV.40	4,023,871	1,960,454
Lease liabilities	IV.41	899,900	820,638
Long-term payables		98,567	188,987
Deferred income	IV.42	988,724	1,032,077
Deferred tax liabilities	IV.24	633,871	567,155
Other non-current liabilities	IV.43	180,828	54,954
<b>Total non-current liabilities</b>		<b>26,676,877</b>	<b>18,147,720</b>
<b>Total liabilities</b>		<b>112,923,839</b>	<b>97,132,883</b>
<b>Shareholders' equity:</b>			
Share capital	IV.44	5,392,521	5,392,521
Other equity instruments	IV.45	4,033,119	2,049,774
Including: Perpetual bonds		4,033,119	2,049,774
Capital reserve	IV.46	4,347,762	4,548,686
Less: treasury stock		200,098	–
Other comprehensive income	IV.47	204,394	559,892
Special reserve		33,372	18,896
Surplus reserve	IV.48	4,486,351	4,486,351
Retained earnings	IV.49	31,579,391	30,801,685
Total equity attributable to shareholders and other equity holders of the Company		49,876,812	47,857,805
Non-controlling interests		16,311,308	16,772,545
<b>Total shareholders' equity</b>		<b>66,188,120</b>	<b>64,630,350</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>179,111,959</b>	<b>161,763,233</b>

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

Legal  
representative:Person in charge of  
accounting function:The head of the accounting  
department:

## Chapter IX 2024 Interim Financial Report (Unaudited)

### COMPANY BALANCE SHEET

As at 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2024	31 December 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	XIX.1	4,105,133	2,829,658
Financial assets held for trading		2,000,000	–
Derivative financial assets	XIX.2	–	1,042
Account receivables		149,011	21,145
Other receivables	XIX.3	30,897,273	28,830,327
Including: Interest receivable		70,743	70,295
Dividends receivable		4,032,581	3,944,715
Other current assets		–	1,088
<b>Total current assets</b>		<b>37,151,417</b>	<b>31,683,260</b>
<b>Non-current assets:</b>			
Other equity investments	XIX.4	1,587,676	1,701,061
Long-term equity investments	XIX.5	16,709,797	16,638,397
Investment properties		126,181	126,181
Fixed assets	XIX.6	99,183	104,048
Construction in progress		21,816	15,559
Intangible assets	XIX.7	1,496,025	1,530,588
Long-term prepaid expenses		6,341	7,369
<b>Total non-current assets</b>		<b>20,047,019</b>	<b>20,123,203</b>
<b>TOTAL ASSETS</b>		<b>57,198,436</b>	<b>51,806,463</b>

## Chapter IX 2024 Interim Financial Report (Unaudited)

### COMPANY BALANCE SHEET (CONTINUED)

As at 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

	Note	30 June 2024	31 December 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings	XIX.9	1,400,998	2,201,801
Derivative financial liabilities	XIX.2	–	5,276
Employee benefits payable		365,006	367,720
Taxes payable	XIX.10	8,997	9,911
Other payables	XIX.11	8,634,871	8,439,068
Including: Interest payable		–	–
Dividends payable		118,093	–
Current portion of non-current liabilities	XIX.12	1,751,869	1,442,074
Other current liabilities	XIX.8	2,010,096	2,003,738
<b>Total current liabilities</b>		<b>14,171,837</b>	<b>14,469,588</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	XIX.13	10,845,930	7,962,868
Debentures payable	XIX.14	2,014,831	507,583
Deferred income		874	1,632
<b>Total non-current liabilities</b>		<b>12,861,635</b>	<b>8,472,083</b>
<b>Total liabilities</b>		<b>27,033,472</b>	<b>22,941,671</b>
<b>Shareholders' equity:</b>			
Share capital	IV.45	5,392,521	5,392,521
Other equity instruments	IV.46	4,033,119	2,049,774
Including: Perpetual bonds		4,033,119	2,049,774
Capital reserve	XIX.16	1,015,449	1,015,449
Less: treasury stock		200,098	–
Other comprehensive income	XIX.17	148,419	238,928
Surplus reserve	IV.49	4,486,351	4,486,351
Retained earnings	XIX.18	15,289,203	15,681,769
<b>Total shareholders' equity</b>		<b>30,164,964</b>	<b>28,864,792</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>57,198,436</b>	<b>51,806,463</b>

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

Legal  
representative:Person in charge of  
accounting function:The head of the accounting  
department:

## Chapter IX 2024 Interim Financial Report (Unaudited)

### CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

Item	Note	January – June 2024	January – June 2023
<b>I. Revenue</b>		<b>79,115,043</b>	60,573,968
Less: Cost of sales	IV.50	70,628,816	52,412,425
Taxes and surcharges	IV.51	263,506	256,782
Selling and distribution expenses	IV.52	1,185,230	1,127,903
General and administrative expenses	IV.53	3,280,583	2,936,470
Research and development expenses	IV.54	1,125,895	1,119,777
Financial expenses	IV.55	522,940	130,985
Including: Interest expenses		1,054,835	897,206
Interest income		227,691	146,041
Asset impairment losses	IV.61	25,972	100,416
Credit impairment losses	IV.62	50,635	34,530
Add: Other income	IV.60	198,575	223,582
Investment income	IV.58	126,134	74,084
Including: Share of profits of associates and joint ventures		121,207	136,674
Losses on changes in fair value	IV.57	(249,762)	(1,125,670)
Gains on disposals of assets	IV.59	9,063	18,363
<b>II. Operating profit</b>		<b>2,115,476</b>	1,645,039
Add: Non-operating income	IV.63	126,380	60,578
Less: Non-operating expenses	IV.64	26,000	53,646
<b>III. Total profit</b>		<b>2,215,856</b>	1,651,971
Less: Income tax expenses	IV.65	820,926	661,589
<b>IV. Net profit</b>		<b>1,394,930</b>	990,382
<b>Classified by business continuity</b>			
Net profit from continuing operations		1,394,930	904,759
Net profit/(loss) from discontinued operations		–	85,623
<b>Classified by ownership</b>			
Attributable to shareholders and other equity holders of the Company		865,781	398,556
Non-controlling interests		529,149	591,826

## Chapter IX 2024 Interim Financial Report (Unaudited)

### CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

	Note	January – June 2024	January – June 2023
<b>V. Other comprehensive income, net of tax</b>		<b>(382,659)</b>	<b>(129,650)</b>
Attributable to shareholders and other equity holders of the Company	IV.47	(355,498)	(262,325)
Items that will not be reclassified to profit or loss		(169,024)	(142,383)
Changes in fair value of other equity investments		(169,024)	(142,383)
Items that may be reclassified subsequently to profit or loss		(186,474)	(119,942)
Excess of fair value over carrying amount of investment properties at the date of transfer		–	775
The share of other comprehensive income that will be reclassified into profit or loss under equity method		45,453	74,445
Changes in fair value of hedge accounting		(11,641)	–
Translation difference of foreign currency statements		(220,286)	(195,162)
Minority interests		(27,161)	132,675
<b>VI. Total comprehensive income</b>		<b>1,012,271</b>	<b>860,732</b>
Attributable to shareholders and other equity holders of the Company		510,283	136,231
Minority interests		501,988	724,501
<b>VII. Earnings per share</b>			
Basic earnings per share (RMB)	IV.66	0.16	0.07
Diluted earnings per share (RMB)	IV.66	0.15	0.07

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

Legal  
representative:

Person in charge of  
accounting function:

The head of the accounting  
department:



## Chapter IX 2024 Interim Financial Report (Unaudited)

### COMPANY INCOME STATEMENT

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

Item	Note	January – June 2024	January – June 2023
<b>I. Revenue</b>	XIX.19	<b>217,276</b>	78,432
Less: Cost of sales	XIX.19	–	–
Taxes and surcharges		<b>3,345</b>	4,332
General and administrative expenses	XIX.21	<b>186,293</b>	165,942
Research and development expenses	XIX.21	<b>1,019</b>	487
Financial expenses/(income)	XIX.20	<b>146,398</b>	(12,233)
Including: Interest expenses		<b>335,672</b>	246,682
Interest income		<b>16,356</b>	28,567
Asset impairment losses		–	207,616
Credit impairment losses		–	–
Add: Other income		<b>2,414</b>	2,274
Investment income	XIX.22	<b>1,300,146</b>	2,986,104
Losses on changes in fair value		<b>(1,408,929)</b>	(107,141)
Losses on disposals of assets		<b>(790)</b>	(235)
<b>II. Operating profit</b>		<b>(226,938)</b>	2,593,290
Add: Non-operating income		<b>10</b>	16,160
Less: Non-operating expenses		–	–
<b>III. Total profit</b>		<b>(226,928)</b>	2,609,450
Less: Income tax expenses	XIX.23	–	–
<b>IV. Net profit</b>		<b>(226,928)</b>	2,609,450
<b>Classified by business continuity</b>			
Net profit from continuing operations		<b>(226,928)</b>	2,609,450
Net profit from discontinued operations		–	–
<b>V. Other comprehensive income, net of tax</b>	XIX.17	<b>(90,509)</b>	(132,495)
Items that will not be reclassified to profit or loss		<b>(113,385)</b>	(159,493)
Changes in fair value of other equity investments		<b>(113,385)</b>	(159,493)
Items that may be reclassified subsequently to profit or loss		<b>22,876</b>	26,998
The share of other comprehensive income that will be reclassified into profit or loss under equity method		<b>22,876</b>	26,998
<b>VI. Total comprehensive income</b>		<b>(317,437)</b>	2,476,955

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

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Person in charge of  
accounting function:

The head of the accounting  
department:

## Chapter IX 2024 Interim Financial Report (Unaudited)

### CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

Item	Note	January – June 2024	January – June 2023
<b>I. Cash flows from operating activities</b>			
Cash received from sales of goods or rendering of services		73,858,461	59,967,229
Refund of taxes and surcharges		2,796,160	1,631,292
Cash received relating to other operating activities	IV.67(1)	1,258,360	929,325
<b>Sub-total of cash inflows</b>		<b>77,912,981</b>	<b>62,527,846</b>
Cash paid for goods and services		68,679,461	51,277,666
Cash paid to and on behalf of employees		7,438,274	6,325,874
Payments of taxes and surcharges		1,720,025	4,891,583
Cash paid relating to other operating activities	IV.67(2)	1,522,128	2,041,005
<b>Sub-total of cash outflows</b>		<b>79,359,888</b>	<b>64,536,128</b>
<b>Net cash flows from operating activities</b>	IV.68(1)	<b>(1,446,907)</b>	<b>(2,008,282)</b>
<b>II. Cash flows from investing activities</b>			
Cash received from disposals and redemption of investments		10,975,278	4,594,999
Cash received from returns on investments		408,977	501,144
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		128,998	56,640
Net cash received from disposals of subsidiaries		3,000	3,800
Cash received relating to other investing activities	IV.67(3)	7,182	7,095
<b>Sub-total of cash inflows</b>		<b>11,523,435</b>	<b>5,163,678</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,382,423	2,450,649
Cash paid to acquire investments		13,234,836	6,007,835
Net cash paid to acquire subsidiaries		122,000	10,434
Cash paid relating to other investing activities	IV.67(4)	478,567	767,623
<b>Sub-total of cash outflows</b>		<b>15,217,826</b>	<b>9,236,541</b>
<b>Net cash flows used in investing activities</b>		<b>(3,694,391)</b>	<b>(4,072,863)</b>

## Chapter IX 2024 Interim Financial Report (Unaudited)

### CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

	Note	January – June 2024	January – June 2023
<b>III. Cash flows from financing activities</b>			
Cash received from capital contributions		364,857	96,693
Including: Cash received from capital contributions by non-controlling interests of subsidiaries		364,857	96,693
Cash received from borrowings		15,813,690	14,211,626
Cash received from issuing bonds		8,497,333	2,499,668
Cash received relating to other financing activities		161,180	9,957
<b>Sub-total of cash inflows</b>		<b>24,837,060</b>	<b>16,817,944</b>
Cash repayments of borrowings		15,295,902	8,532,504
Cash payments for distribution of dividends, profits or interest expenses		1,625,081	1,168,317
Including: Cash payments for dividends or profits to non-controlling interests of subsidiaries		460,528	322,384
Cash paid relating to other financing activities	IV.67(5)	1,377,883	212,455
<b>Sub-total of cash outflows</b>		<b>18,298,866</b>	<b>9,913,276</b>
<b>Net cash flows from financing activities</b>		<b>6,538,194</b>	<b>6,904,668</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>(5,503)</b>	<b>306,572</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>		<b>1,391,393</b>	<b>1,130,095</b>
Add: Cash and cash equivalents at the beginning of the year	IV.68(2)	20,350,816	15,912,300
<b>VI. Cash and cash equivalents at the end of the year</b>	IV.68(2)	<b>21,742,209</b>	<b>17,042,395</b>

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

Legal  
representative:

Person in charge of  
accounting function:

The head of the accounting  
department:

## Chapter IX 2024 Interim Financial Report (Unaudited)

### COMPANY CASH FLOW STATEMENT

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

Item	Note	January – June 2024	January – June 2023
<b>I. Cash flows from operating activities</b>			
Cash received from sales of goods or rendering of services		94,801	33,478
Cash received relating to other operating activities		25,992	44,137
<b>Sub-total of cash inflows</b>		<b>120,793</b>	<b>77,615</b>
Cash paid to and on behalf of employees		107,559	116,076
Payments of taxes and surcharges		27,349	18,470
Cash paid relating to other operating activities		50,013	49,930
<b>Sub-total of cash outflows</b>		<b>184,921</b>	<b>184,476</b>
<b>Net cash flows used in operating activities</b>	XIX.24	<b>(64,128)</b>	<b>(106,861)</b>
<b>II. Cash flows from investing activities</b>			
Cash received from disposals of investments		16,350,400	7,588,506
Cash received from returns on investments		1,461,900	2,857,502
Net cash received from disposals of fixed assets		131	63
<b>Sub-total of cash inflows</b>		<b>17,812,431</b>	<b>10,446,071</b>
Cash paid to acquire fixed assets and other long-term assets		11,924	1,398,336
Cash paid to acquire investments		11,350,000	4,000,000
Net cash paid to acquire subsidiaries		–	1,178,524
Cash paid relating to other investing activities		9,081,676	8,429,988
<b>Sub-total of cash outflows</b>		<b>20,443,600</b>	<b>15,006,848</b>
<b>Net cash flows used in investing activities</b>		<b>(2,631,169)</b>	<b>(4,560,777)</b>
<b>III. Cash flows from financing activities</b>			
Cash received from borrowings		5,900,000	10,508,023
Cash received from issuing bonds		8,000,000	2,499,668
Cash received from other financing activities		–	3,200,000
<b>Sub-total of cash inflows</b>		<b>13,900,000</b>	<b>16,207,691</b>
Cash repayments of borrowings		8,009,338	5,602,700
Cash payments for distribution of dividends, profits or interest expenses		401,034	318,515
Cash paid relating to other financing activities		1,520,244	5,202,635
<b>Sub-total of cash outflows</b>		<b>9,930,616</b>	<b>11,123,850</b>
<b>Net cash flows from financing activities</b>		<b>3,969,384</b>	<b>5,083,841</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>1,388</b>	<b>351</b>
<b>V. Net increase in cash and cash equivalents</b>	XIX.24	<b>1,275,475</b>	<b>416,554</b>
Add: Cash and cash equivalents at the beginning of the year		2,821,693	550,709
<b>VI. Cash and cash equivalents at the end of the year</b>	XIX.24	<b>4,097,168</b>	<b>967,263</b>

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

Legal  
representative:

Person in charge of  
accounting function:

The head of the accounting  
department:

## Chapter IX 2024 Interim Financial Report (Unaudited)

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

Item	Note	January-June 2024										2023									
		Attributable to shareholders and other equity holders of the Company					Attributable to shareholders and other equity holders of the Company					Attributable to shareholders and other equity holders of the Company					Attributable to shareholders and other equity holders of the Company				
		Share capital	Other equity instruments	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity	
<b>I. Balance at 31 December 2023</b>		5,392,521	2,049,774	4,548,666	-	559,892	18,896	4,486,351	30,801,685	16,772,545	64,630,350	2,049,774	4,207,798	1,065,540	-	4,300,255	31,997,541	14,042,655	62,656,084		
Charges in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>II. Balance at 1 January 2024</b>		5,392,521	2,049,774	4,548,666	-	559,892	18,896	4,486,351	30,801,685	16,772,545	64,630,350	2,049,774	4,207,798	1,065,540	-	4,300,255	31,997,541	14,042,655	62,656,084		
<b>III. Movements for the year</b>																					
(i) Total comprehensive income		-	47,545	-	-	(355,498)	-	818,236	529,149	(27,161)	1,394,930	64,200	-	(555,648)	-	357,049	1,442,125	1,863,374			
1. Net profit	IV/47	-	-	-	-	(355,498)	-	818,236	529,149	(27,161)	1,394,930	64,200	-	(555,648)	-	357,049	1,442,125	1,863,374			
2. Other comprehensive income		-	47,545	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Sub-total of comprehensive income</b>		-	47,545	-	-	(355,498)	-	818,236	501,988	-	1,012,271	64,200	-	(555,648)	-	357,049	1,998,742	1,514,343			
(ii) Capital contribution and withdrawal by shareholders																					
1. Contributions by non-controlling interests	IV/46 VI/1(5)	-	-	39,115	-	-	-	-	-	-	366,203	-	88,077	-	-	-	-	1,275,006	2,171,083		
2. Increase in non-controlling interests resulted from acquisition or establishment of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3. Increase in non-controlling interests resulted from acquisition of subsidiary	IV/46	-	-	(51,458)	-	-	-	-	(1,023,151)	(1,074,609)	-	-	(6,247,311)	-	-	-	292,872	(331,859)			
4. Disposals of subsidiaries (lose control)	VI/2	-	-	(193,705)	-	-	-	-	290,859	97,154	-	-	-	-	-	-	399,006	399,006			
5. Disposals of subsidiaries (do not lose control)	IV/46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
6. Increase in capital reserve resulted from share option exercised by subsidiary	IV/46	-	-	297,36	-	-	-	-	-	13,737	43,473	-	21,588	-	-	-	10,349	31,932			
7. Increase in shareholders' equity resulted from share-based payments	IV/46, VI/1	-	-	(22,236)	-	-	-	-	77,563	28,332	83,659	-	57,483	-	-	-	31,202	88,665			
8. Issuance of other equity instruments	IV/45	-	2,000,000	-	-	-	-	-	-	-	2,000,000	-	-	-	-	-	-	-			
9. Transfer from capital reserve to share capital	IV/44	-	-	(2,376)	200,098	-	-	-	-	9,362	(193,112)	-	(9,524)	-	-	-	-	(9,524)			
10. Others	IV/46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(iii) Profit distribution																					
1. Appropriation to surplus reserve	IV/48	-	-	-	-	-	-	-	-	-	-	-	-	-	186,096	(186,096)	-	-			
2. Profit distribution to shareholders	IV/49	-	-	-	-	-	-	(118,093)	(614,513)	(732,406)	-	-	-	-	(966,809)	(966,809)	(877,081)	(1,863,890)			
3. Interest paid on other equity instruments	IV/45	-	(64,200)	-	-	-	-	-	-	(64,200)	-	-	-	-	-	-	-	(64,200)			
(iv) Production safety expenses																					
<b>IV. Balance at 30 June 2024</b>		5,392,521	4,033,119	4,347,762	200,098	204,394	33,372	4,486,351	31,579,391	16,311,308	66,188,120	2,097,774	4,538,686	559,892	18,896	4,486,351	30,801,685	16,772,545	64,630,350		

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

Legal representative:

Person in charge of accounting function:

The head of the accounting department:

## Chapter IX 2024 Interim Financial Report (Unaudited)

## COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

Item	Note	January-June 2024					2023									
		Share capital	Other equity instruments	Capital reserve	Less: treasury stock	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
<b>I. Balance at 31 December 2023</b>		5,392,521	2,049,774	1,015,449	-	238,928	4,486,351	15,681,769	28,864,792	5,392,521	2,049,774	1,015,449	639,000	4,300,255	14,657,717	28,054,716
Changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at 1 January 2024</b>		5,392,521	2,049,774	1,015,449	-	238,928	4,486,351	15,681,769	28,864,792	5,392,521	2,049,774	1,015,449	639,000	4,300,255	14,657,717	28,054,716
<b>III. Movements for the year</b>																
(i) Total comprehensive income																
1. Net profit		-	47,545	-	-	-	-	(274,473)	(226,928)	-	64,200	-	-	-	2,176,957	2,241,157
2. Other comprehensive income	XIX.17	-	-	-	-	(90,509)	-	(90,509)	(90,509)	-	-	-	(400,072)	-	-	(400,072)
<b>Sub-total of 1&amp;2</b>		-	47,545	-	-	(90,509)	-	(274,473)	(317,437)	-	64,200	-	(400,072)	-	2,176,957	1,841,085
(ii) Capital contribution and withdrawal by shareholders																
1. Issuance of other equity instruments	IV.46	-	2,000,000	-	-	-	-	-	2,000,000	-	-	-	-	-	-	-
2. Redemption of other equity instruments	IV.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer from capital reserve to share capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others		-	-	-	200,098	-	-	-	(200,098)	-	-	-	-	-	-	-
(iii) Profit distribution																
1. Appropriation to surplus reserve	IV.49	-	-	-	-	-	-	-	-	-	-	-	-	186,096	(186,096)	-
2. Profit distribution to shareholders	IV.50	-	-	-	-	-	-	(118,093)	(118,093)	-	-	-	-	-	(966,809)	(966,809)
3. Interest paid on other equity instruments	IV.46	-	(64,200)	-	-	-	-	-	(64,200)	-	(64,200)	-	-	-	-	(64,200)
(iv) Others																
1. Retrospective adjustment to a partial disposal of an interest in a subsidiary in which the parent company loses control but retains an interest as an associate under equity method		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Balance at 30 June 2024</b>		5,392,521	4,033,119	1,015,449	200,098	148,419	4,486,351	15,289,203	30,164,944	5,392,521	2,049,774	1,015,449	238,928	4,486,351	15,681,769	28,864,792

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

Legal representative:

Person in charge of accounting function:

The head of the accounting department:

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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] No. 1736" issued by the General Office of the People's Government of Shenzhen and "Shen Ren Yin Fu Zi (1992) No. 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 (Group) Co., Ltd." by the original corporate shareholders of the Company. On 31 December 1993 and 17 January 1994 respectively, the Company issued RMB ordinary shares (A shares) and domestically listed foreign shares (B shares) to the public at home and abroad, and commenced trading on Shenzhen Stock Exchange pursuant to "Shen Fu Ban Fu [1993] No. 925" issued by the General Office of the People's Government of Shenzhen and "Shen Zheng Ban Fu [1994] No. 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, No. 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 were 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. (Shenzhen Capital) and its subsidiaries. On 18 December 2020, the share transfer was completed. Shenzhen Capital and its subsidiaries held 29.74% of the Company's equity and became the Company's largest shareholder.

The actual 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, manufacture and sales of various high-tech and high performance speciality vehicles, 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; and 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.

CIMC Enric Holdings Limited ("Enric"), the subsidiary of the Company, is listed on the Main Board of the Hong Kong Stock Exchange. The actual 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 and the Growth Enterprise Market of the Shenzhen Stock Exchange. CIMC Vehicles primarily engages in the production, manufacture and sales 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 to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

## I. GENERAL INFORMATION (CONTINUED)

On 27 July 2023, the China Securities Regulatory Commission (CSRC) approved the registration application of CIMC Safeway Technologies Co., Ltd. ("CIMC Safe Tech"), a subsidiary of Enric, for an IPO and listing on ChiNext of the Shenzhen Stock Exchange. The CIMC Safe Tech's A-share IPO was subsequently completed on 11 October 2023. The CIMC Safe Tech primarily engages in the research, development and manufacture of chemical logistics equipment, chemical process equipment, pressure vessels and components, as well as key environmental protection equipment.

Please refer to Note VI for details of subsidiaries included in the scope of consolidation and also refer to Note V.1 for the details of subsidiaries newly included in the scope of consolidation. Please refer to Note V.2 for details of subsidiaries not included in the scope of consolidation.

The financial statements have been approved for announcement by the Company's Board of Directors on 28 August 2024.

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group determines specific accounting policies and accounting estimates according to characteristics of its business operations, which include measurement of expected credit losses (ECL) of receivables and contract assets (Note II.10), the cost of inventories (Note II.11), the criteria for determining impairment of long-term assets (Note II.20), depreciation of fixed assets and amortisation of intangible assets and right-of-use assets (Note II.14, 17 and 28), judgement criteria for capitalised development expenditures (Note II.17), measurement of provisions (Note II.22), measurement model of investment properties (Note II.13) and revenue recognition and measurement (Note II.25), etc.

The key judgements, significant accounting estimates and key assumptions adopted by the Group when determining significant accounting policies are disclosed in Note II.33.

### 1. Basis of preparation

The financial statements were prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereinafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CASS") 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 has been effective since 3 March 2014. Some notes in this financial statement have been prepared in accordance with requirements of the Hong Kong Companies Ordinance.

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

The financial statements of the Company for the period from 1 January to 30 June 2024 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company's financial position of the Company as at 30 June 2024 and their financial performance, cash flows and other information during January to June 2024.



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 3. Accounting year

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

#### 4. Recording currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The recording 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. Methods and basis for determining important standards

Significant Provisions for Bad Debts assessed individually on Account Receivables, Contract Assets and Other Receivables	Individual provision amount exceeding 10% of the total bad debt provision for each category of receivables and exceeding RMB100 million
Significant Write-offs/Reversals of Bad Debt Provisions for Receivables	Individual write-off amount exceeding 10% of the total bad debt provision for each category of receivables and exceeding RMB100 million
Significant goodwill	Goodwill carrying amount of an individual asset group exceeding 10% of the Group's total goodwill
Significant non-wholly-owned subsidiaries	Non-controlling interests of an individual non-wholly owned subsidiary exceeding 5% of the Group's consolidated net assets
Significant joint ventures and associates	Individual carrying amount exceeding 1% of the Group's total consolidated assets or equity pick-up from an investee exceeding 5% of the Group's consolidated net profit
Significant subsidiaries	Net assets or net profit of a subsidiary exceeding 5% of the Group's corresponding amounts
Significant unconsolidated structured entities	Individual investment in a structured entity over RMB300 million
Significant construction in progress	Individual project with a budgeted amount exceeding RMB300 million
Significant contract changes	Change/variation amount exceeding 30% of the original contract value with a financial statement impact exceeding RMB100 million
Significant transactions with non-controlling interests	Individual transaction amount exceeding RMB300 million
Significant Acquisitions and Disposals of Subsidiaries	Consideration for an individual acquisition or disposal of a subsidiary exceeding RMB300 million
Significant provisions	Individual provision amount exceeding RMB100 million
Significant lawsuits	Individual lawsuit claim amount exceeding RMB100 million

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 6. 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 acquiree is acquired from a third party by the ultimate controlling party in a prior year, the consideration paid and net assets obtained by the acquirer are measured based on the carrying amounts of the acquiree's assets and liabilities (including the goodwill arising from the acquisition of the acquiree by the ultimate controlling party) presented in the consolidated financial statements of the ultimate controlling party. 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 (share premium). If the balance of the capital reserve (share premium) is insufficient to absorb the aforesaid difference, any excess is adjusted against 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.18); 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

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

### 7. 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 at 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 non-controlling interests 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 (share premium) in the consolidated balance sheet. If the credit balance of the capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

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

#### 7. Preparation of consolidated financial statements (Continued)

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

If the Company loses the control of the original subsidiary because of disposing of 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 disposals 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 intra-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 non-controlling interests, net profit and loss attributable to non-controlling interests as well as total comprehensive income attributable to non-controlling interests presented separately in the consolidated financial statements within shareholders' equity and net profit as well as total comprehensive income respectively. If the current loss attributable to the non-controlling interests of a subsidiary exceeds the non-controlling interests' share of the opening balance of owners' equity of the subsidiary, the excess is allocated against the balance of the non-controlling interests. Unrealised profits and losses resulting from the sales of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to owners of the parent. Unrealised profits and losses resulting from the sales of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to shareholders of the parent and net profit attributable to non-controlling interests in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profits and losses resulting from the sales of assets by one subsidiary to another are eliminated and allocated between net profit attributable to shareholders of the parent and net profit attributable to non-controlling interests in accordance with the allocation proportion of the parent in the subsidiary.

If the accounting treatment of a transaction in the financial statements at the Group level is inconsistent with that at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 8. 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.

#### 9. 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.16) 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.

##### (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 "retained earnings" 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 disposals of all owners' equity in the Group's overseas operation or disposals 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 is presented separately in the cash flow statement.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

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

#### 10. 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

###### (a) 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; (3) financial assets at fair value through profit or loss.

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 account receivables and notes receivables arising from the sales of products or the provision of services that do not contain or consider the significant financing components, the consideration to be received is recognised as the initial recognition amount.

###### (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 categories:

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 and cash equivalents, notes receivables, account receivables, other receivables and long-term receivables. The Group will present the long-term receivables due within one year (including one year) from the balance sheet date as current portion of non-current assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

###### (a) Classification and measurement (Continued)

###### (i) Debt instruments (Continued)

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 gains or losses, foreign exchange gains and losses and interest income calculated using effective interest rate method, which are recognised in profit or loss for the current period. Such financial assets mainly include receivables financing.

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.

###### (ii) Equity instruments

Investments in equity instruments, over which the Group has no control, joint control or significant influence, are measured at fair value through profit or loss under financial assets held for trading; investments in equity instruments expected to be held for more than one year as 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

###### (b) *Impairment*

The Group recognises loss provision based on ECL for financial assets at amortised cost, debt investments at fair value through other comprehensive income, contract assets, financial guarantee contracts.

Giving consideration to reasonable and supportable information that is available without undue cost or effort at the balance sheet date on past events, current conditions and forecasts of future economic conditions weighted by the probability of default, the Group recognises the ECL 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.

For notes receivables, account receivables, receivables financing, contract assets and long-term receivables 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 provision according to the lifetime ECL.

At each balance sheet date, the ECL of financial instruments other than aforesaid notes receivables, account receivables, receivables financing, contract assets and long-term receivables is measured based on 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 ECL. If the credit risk of the financial instrument has significantly increased since initial recognition, the instrument is in the second stage. The Group measures the allowance for that financial instrument at an amount equal to lifetime ECL. 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 ECL.

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 ECL.

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.



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

###### (b) Impairment (Continued)

When ECL cannot be evaluated according to the reasonable cost for individual account receivable, notes receivables, receivables financing, contract assets and long-term receivables, the Group divides account receivables, notes receivables, receivables financing and contract assets into several portfolios based on the credit risk characteristics, and calculates the ECL 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
Account receivables portfolio 1	Containers manufacturing business
Account receivables portfolio 2	Road transportation vehicles business
Account receivables portfolio 3	Energy, chemical and liquid food equipment business
Account receivables portfolio 4	Offshore engineering business
Account receivables portfolio 5	Airport facilities and logistics equipment, fire safety and rescue equipment business
Account receivables portfolio 6	Logistics services business
Account receivables portfolio 7	Unit load business
Account receivables portfolio 8	Other business
Contract assets portfolio 1	Offshore engineering
Contract assets portfolio 2	Energy, chemical and liquid food equipment business
Contract assets portfolio 3	Airport facilities and logistics equipment, fire safety and rescue equipment business

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

###### (b) Impairment (Continued)

For the account receivables, notes receivables and receivables financing incurred from daily business activities such as selling goods and providing services, which are classified as portfolios, the Group calculates the ECL 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 ECL rate.

In case the ECL of an individually assessed other receivables cannot be evaluated with reasonable cost, the Group classifies other receivables into several portfolios based on the credit risk characteristics, and calculates the ECL 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 parities
Other receivables portfolio 2	Receivables from share capital increase/transfer
Other receivables portfolio 3	Loans
Other receivables portfolio 4	Financial assets held under resale agreements
Other receivables portfolio 5	Security deposits
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 receivable
Other receivables portfolio 10	Dividends receivable
Other receivables portfolio 11	Disbursements
Other receivables portfolio 12	Others

For other receivables divided into portfolios, the Group adopts three-stage model to calculate their ECL based on the exposure at default and the 12-month or lifetime ECL rate, with consideration to historical credit losses experience, current conditions and forecasts of future economic conditions.

The Group recognises the loss provision made or reversed 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 losses or gains are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

###### (c) *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; (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; (3) the financial asset has been transferred to the transferee 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (2) Financial liabilities

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

When all or part of the current obligations of a financial liability have been discharged, the Group 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 for the current period.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

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

#### 10. Financial instruments (Continued)

##### (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 derivative financial instruments are recognised in profit or loss for the current period.

For a hybrid contract that contains both an embedded derivative financial instruments 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 derivatives 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 derivatives that are 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 satisfies the definition of the derivative;  
and
- (3) the hybrid instrument is not measured at fair value through profit or loss for the current period.

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 derivatives cannot be reliably measured in accordance with the terms and conditions of the embedded derivatives, they are 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 for the current period.

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

#### 10. 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.

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

#### 11. 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) Valuation method of inventories

Cost of inventories is calculated using the weighted average method, which includes all purchase costs, processing costs, and other costs incurred before the inventory is shipped to the destination and in bringing them to the status quo. Borrowing costs incurred directly attributable to the production of qualifying inventories are recognised in cost of inventories (Note II.16). The cost of stocks and products in progress includes raw materials, direct labour, and manufacturing expenses allocated in a systematic way under normal production capacity.

##### (3) The underlying factors in the determination of net realisable values of inventories and basis of provision for decline in the value of inventories

Provision for decline in the value of inventories is determined as 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, the estimated costs of contract performance and the estimated expenses and related taxes necessary to make the sale. The Group determines a consolidated provision for inventory decline for inventories that are produced and sold in the same region and have the same or similar end use.

##### (4) The Group adopts the perpetual inventory system.

##### (5) Amortisation of reusable materials 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.

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

#### 12. Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are the investees over which the Group is able to exercise joint control together with other ventures through joint venture arrangement and the Group 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)

#### 12. Long-term equity investments (Continued)

##### (2) Subsequent measurement and recognition of profit and 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 the current period.

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 or loss for the current period 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 reserve with a corresponding adjustment to the carrying amount of the long-term equity investment. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses in the financial statements of the Company are recognised. When preparing consolidated financial statements, for the portion of unrealised gains and losses of internal transaction attributable to the Group arising from downstream transactions in which the Group invests in or sells assets to the investees, the Group shall, on the basis of offsetting the Company's financial statements, offset the portion of unrealised income and costs or asset disposal gains and losses attributable to the Group, and adjust investment income accordingly; for the unrealised gains and losses of internal transaction attributable to the Group arising from the upstream transactions in which the investees invest in or sell assets to the Group, the Group shall, on the basis of offsetting the Company's financial statements, offset the portion of unrealised gains and losses of internal transaction included in the carrying amount of the relevant assets, and adjust the carrying amount of long-term equity investments accordingly. For losses on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised losses are not eliminated.

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

#### 12. Long-term equity investments (Continued)

##### (3) Basis for determining the existence of control, joint control or significant influence over an investee

Control is the power over the investee to enjoy variable returns by participating in related activities of the investee and the ability to affect the return amount by executing the power over the investee.

Joint control is the sharing of control over an arrangement according to related agreement, and exists only when the decisions relating to the activity of the arrangement require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the determination of financial and operating policies of the investee, but is not control or joint control over those policies.

##### (4) Impairment of 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.20).

#### 13. Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that are being constructed or developed for future use for leasing, are measured initially at cost. Subsequent expenditures incurred in relation to investment properties are included in the cost of the investment properties when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are 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.

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

#### 13. Investment properties (Continued)

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 property is disposed.

An investment property is derecognised on disposal or when the investment properties is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sales, 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.

#### 14. Fixed assets

##### (1) Recognition and initial measurement

Fixed assets include buildings, machinery and equipment, motor vehicles, office and other equipment, offshore engineering equipment, docks and wharves.

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)

#### 14. Fixed assets (Continued)

##### (2) Depreciation

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated net residual values, over their estimated useful lives, unless the fixed asset is classified as held for sale (Note II.29). 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:

Category	Estimated useful lives (years)	Estimated net residual value rate (%)	Depreciation rate per annum (%)
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 and wharf	20 – 50	10%	1.8 – 4.5%
Offshore engineering equipment	20 – 30	10%	4.5 – 6%

Estimated useful lives, estimated net residual values of a fixed asset 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.20).

##### (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 sales, 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.

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

#### 15. 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.16) 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.20).

#### 16. 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.

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

#### 17. Intangible assets

Intangible assets include land use rights, technological know-how trademarks and software, timber concession rights, customer relationships, customer contracts, sea area use rights and franchise rights, 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 intangible assets' economic benefits are expected to be realised over its estimated useful life, unless the intangible asset is classified as held for sale (Note II.29).

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 each balance sheet date, an impairment test will be conducted.

The respective amortisation periods for such intangible assets are as follows:

Item	Amortisation periods
Land use rights	20 years – 50 years
Sea area 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.

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

#### 17. Intangible assets (Continued)

##### (2) Research and development

The Group's research and development expenditures primarily include expenditures on materials consumed for the implementation of the Group's research and development activities, remuneration of employees in the research and development department, depreciation and amortisation of equipment and software used in research and development and other assets, testing and design expenses.

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 an intangible asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note II.20).

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 18. Goodwill

Goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving enterprises not under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (Note II.20). On disposals 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.

#### 19. 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)
Drilling platform mobilisation fee	3 – 5
Improvement expenditure of fixed assets under operating lease	2 – 10
Others	3 – 10



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

#### 20. Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date; intangible assets that are not 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 impairment test, the carrying amount 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 groups 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 for the value recovered in the subsequent period.

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

#### 21. Employee benefits

Employee benefits represent all kinds of allowances and compensations paid by the Group for services rendered by employees or for termination of employment relationship, which mainly include short-term wages, post-employment benefits and termination benefits.

##### (1) Short-term wages

Short-term wages include wages or salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work injury insurance, maternity insurance, housing funds, labour union funds, employee education funds and short-term paid absence. Actual short-term wages are 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)

#### 22. 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 which is recognised on the basis of ECL 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.

#### 23. Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

Distributions of dividends or 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.

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 24. Share-based payments

Share-based payment transactions are classified as equity-settled share-based payments and cash-settled share-based payments. The stock option plan and restricted stock plan implemented by the Group are equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to the employees. Where the equity-settled share-based payments are exercisable immediately after the grant is completed, the payments shall be recognised in profit or loss in the current period at the fair value of the equity instruments at the grant date, with capital reserve increased accordingly; where the equity-settled share-based payments are exercisable after the service in the vesting period is completed or specified performance conditions are met, the service obtained in the current period shall be recognised in profit or loss in the current period at the fair value of the equity instruments at the grant date based on the best estimate on the quantity of exercisable equity instruments made by the Group in accordance with the latest changes in the number of exercisable employees, satisfaction of specified performance conditions and subsequent information at each balance sheet date within the vesting period.

Where the equity-settled share-based payments cannot be exercised in the end, the Group's cost or expenses shall not be recognised unless that the payments are exercisable under the market conditions or non-exercisable conditions. In this regard, whether the market conditions or non-exercisable conditions are satisfied or not, the payments are deemed to be exercisable only when the non-market conditions among all of the exercisable conditions are satisfied.

When the Group modifies the terms of a share-based payment arrangement and the modification increases the fair value of the equity instruments granted, the Group recognises the incremental value of services obtained by reference to the fair value of equity instruments at the modification date over their fair values prior to the modification. If the Group modifies the vesting conditions in a manner that is beneficial to the employee, the Group accounts for the modified vesting conditions prospectively; however, if the modification is detrimental to the employee, the existing vesting terms continue to apply unless the Group cancels all or a portion of the equity instruments granted. In the event of cancellation of equity instruments granted, the Group accelerates the vesting to the cancellation date and immediately recognises the amount that otherwise would have been recognised over the remaining vesting period in profit or loss for the current period, with a corresponding credit to capital reserve.

If the Group needs to repurchase the restricted shares that become invalid due to miss the unlocking conditions at the repurchasing price agreed in advance, the Group shall recognise liabilities and treasury shares according to the number of restricted shares and the corresponding repurchasing price.

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

#### 25. 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.

Obtaining the control of related goods means being able to dominate the use of the goods and obtain almost all of its economic benefits.

It's transferring control of goods over time, if one of the following criteria is met. Otherwise, it's transferring control of goods 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) customers can control goods under construction during the Company's performance of contract;
- (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 contract fulfilment costs and contract acquisition costs. 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 sales 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. As at the balance sheet date, based on whether the amortisation period of the contract fulfilment costs is less than one year or more than one year as determined upon initial recognition, the amount of the Group's contract fulfilment costs (net of related provision for asset impairment) is presented as inventories or other non-current assets respectively. For contract acquisition costs with an amortisation period more than one year as determined upon the initial recognition, the amount net of any related provision for asset impairment is presented as an other non-current asset.

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

#### 25. Revenue recognition (Continued)

The Group determines whether the Group is the primary responsible person or agent when engaging in the transactions based on whether the Group has control over the goods or services before the transfer of goods or services to the customer. Where the Group has control over the goods or services before the transfer of goods or services to the customer, the Group is the principal responsible person and recognises revenue based on the total consideration received or receivable. 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.

##### (1) Revenue from sales of goods

The Group sells containers, road transport vehicles and equipment, airport equipment, fire fighting equipment, energy chemical equipment and recycled carrier equipment. Revenue is recognised at a point in time when the control over the goods is transferred after the Group has delivered the goods to the location as specified in the sales contract and the customer has accepted the goods.

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 fulfilment 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.

##### (2) Revenue from project engineering contracts

For construction services provided by the Group during the performance of contracts that have no alternative use, where the Group has an enforceable right to payment for performance completed to date over the contract term, the Group treats these as performance obligations satisfied over time. Revenue is recognised by measuring progress using the input method, which is to recognise revenue on the basis of the Group's efforts or inputs toward satisfying the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. For contracts where the terms do not convey an enforceable right to payment for performance completed to date over the contract term, these do not meet the criteria for performance obligations satisfied over time. The Group treats these as performance obligations satisfied at a point in time. The Group typically recognises revenue at the point in time when control of the related goods transfers, considering factors such as the present right to payment, transfer of significant risks and rewards of ownership, transfer of legal title, physical possession of the asset, and customer acceptance.

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

#### 25. Revenue recognition (Continued)

##### (3) Revenue from rendering of installation, research and development, design and other services

The Group provides external installation, research and development, design and other services, 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 fulfilment of the contract.

##### (4) Revenue from rendering of freight forwarding services

The logistics services provided by the Group mainly include “integrated” multimodal transport business, professional logistics services, terminals and value-added services. The “integrated” multimodal transport business mainly refers to the Group’s integration of global transportation resources to provide customers with comprehensive and standardised logistics services combining “river, sea, land, rail and air” transportation modes, which can be specifically divided into maritime business, air transportation business and land transportation business. In accordance with the requirements of the contract, revenue is recognised based on the completion of the services when the corresponding goods arrive and leave the port, obtain the corresponding receipts. The professional logistics services, terminals and value-added services provided by the Group are subject to the requirements of the contract, and the revenue is recognised based on the completion of the corresponding services.

##### (5) Revenue from steel product trading and agency services

For the Group’s trading, processing and sales of primarily steel products, as well as steel trading agency services, the Group delivers the goods to the designated delivery location in accordance with the contract terms. Revenue is recognised when the customer obtains acceptance of the goods and control has transferred.

In the steel product trading business, the Group procures relevant products based on market supply and demand dynamics as well as customer order requirements. After obtaining the steel products from third parties, the Group either directly transfers them to customers or processes the goods before transferring them to customers. The Group comprehensively considers whether it bears the primary responsibility for delivering the products and ensuring they meet customer specifications and quality requirements, whether it has discretion in selecting suppliers and determining procurement pricing with availability of many alternative qualified suppliers, and whether it has the right to decide the sales counterparty and pricing, while also bearing significant inventory risks. If the Group is deemed to control the steel products prior to transfer to the customer, then it is the principal and recognises revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognises revenue based on the expected commission or service fee, which is the net amount after deducting payments to other parties from the total consideration, or based on a pre-determined commission amount or percentage.

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

#### 26. Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including refund of taxes and financial subsidies.

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.

Government grants related to assets represent grants obtained from government for the purposes of purchase, construction or acquisition of the long-term assets. 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 presentation 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 recorded 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.



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

#### 27. 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 where the initial recognition of assets or liabilities does not result in equal taxable temporary differences and deductible temporary differences, 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 differences, and it is probable that the temporary differences will not be reversed 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.

Deferred tax assets and deferred tax liabilities are offset when:

- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities;
- the deferred tax assets and deferred tax liabilities are related to the same tax payer within the Group and the same taxation authority.

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 28. 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. 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 cost of the underlying assets or in the profit or loss for the current period on a straight-line basis 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.

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 prescribed by the Ministry of Finance. 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 to be shortened, the Group will correspondingly reduce the carrying amount of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in profit and loss for the current period. If other lease changes cause the lease liability to be remeasured, the Group will adjust the carrying amount of the right-of-use asset accordingly.

For eligible rent concessions agreed on existing lease contracts, the Group applies the practical expedient and records the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with corresponding adjustment of lease liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 28. Leases (Continued)

##### The Group as the lessor

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

##### (1) Operating leases

Where the Group leases out self-owned buildings, machinery and equipment, and motor vehicles under operating leases, rental income is 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 advances or lease receivables 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.

#### 29. 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 parties 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.

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 30. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control or joint control from another party, and one party is controlled or jointly controlled by a third party and the other party is significantly influenced by such third party, they are considered to be related parties. Conversely, enterprises that are only significantly affected by the same party are not 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 company;
- (b) the Company's subsidiaries;
- (c) enterprises that are controlled by the Company's parent company;
- (d) investors that have joint control or exercise significant influence over the Group;
- (e) enterprises or individuals under the same control, joint control as the Group;
- (f) joint ventures of the Group, including subsidiaries of joint ventures;
- (g) associates of the Group, including subsidiaries of associates;
- (h) principal individual investors 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;
- (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, and close family members of such individuals.

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

#### 31. Segment reporting

Reportable segments are identified and segment information is disclosed based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that meets the following conditions:

- it engages in business activities from which it may earn revenues and incur expenses;
- its financial performance 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 accounting information regarding financial position, financial performance and cash flows, etc.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics, and are similar in respect of the following aspects.

- the nature of each product and service;
- the nature of production processes;
- the type or class of customers for the products and services;
- the methods used to distribute the products or provide the services;
- the legal and regulatory impact on manufacturing of products and rendering of services.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

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

#### 32. Hedging Accounting

##### (1) Hedging instruments

Some financial instruments are designated as hedging instruments by the Group for the purpose of mitigating its foreign exchange rate risk. The Group applies hedging accounting methods for a hedge that satisfies the prescribed conditions. Hedging activities of the Group mainly include cash flow hedges.

At the inception of the hedging activities, the Group documents the relationship between the hedging instruments and the hedged items, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group evaluates hedge effectiveness on an ongoing basis to see if the hedging activities are highly effective over the accounting period in which the hedging relationship is designated.

##### (2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income, and the gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the amounts previously recognised in other comprehensive income are reclassified to profit or loss in the same periods during which the financial asset or financial liability affects profit or loss. If the Group expects that all or a portion of a net loss previously recognised right in other comprehensive income will not be recovered in future accounting periods, the net loss that is not expected to be recovered is immediately recognised in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the amounts of gain or loss previously recognised in other comprehensive income are reclassified to the initial costs of such non-financial asset or non-financial liability. If the Group expects that all or a portion of a net loss previously recognised right in other comprehensive income will not be recovered in future accounting periods, the net loss that is not expected to be recovered is immediately recognised in profit or loss.

Except as stated above, the amounts previously recognised in other comprehensive income are reclassified to profit or loss in the same periods during which the hedged forecast transaction affects profit or loss.

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

#### 32. Hedging Accounting (Continued)

##### (2) Cash flow hedges (Continued)

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- (a) there is an economic relationship between the hedged item and the hedging instrument;
- (b) the impact of credit risk does not dominate the value changes that result from the economic relationship between the hedged item and the hedging instrument;
- (c) the hedge ratio of the hedging relationship shall be the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that are actually used in such hedge transaction. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group will terminate the application of hedging accounting in one of the following circumstances:

- (a) a hedging relationship can no longer meet risk management objective due to the change of risk management objective.
- (b) a hedging instrument has expired, been disposed of or exercised or its contracts have been terminated.
- (c) there is no longer any economic relationship between a hedged item and hedging instrument, or the impact of credit risk begins to dominate the value changes that result from the economic relationship between hedged item and hedging instrument.
- (d) a hedging relationship can no longer meet other conditions for the application of hedging accounting method.

When the termination of hedging accounting only has an effect on parts of the whole hedging relationships, hedging accounting is still applicable to those unaffected parts.

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

#### 33. 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

###### (a) *Criteria for significant increase in credit risk and credit-impaired*

Judgement of the Group for significant increase in credit risk and credit-impaired 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.

###### (b) *Judgement of income from trading of steel products as a primary responsible person or agent*

In the steel product trading business, the Group procures relevant products based on market supply and demand dynamics as well as customer order requirements. After obtaining the steel products from third parties, the Group either directly transfers them to customers or processes the goods before transferring them to customers. The Group comprehensively considers whether it bears the primary responsibility for delivering the products and ensuring they meet customer specifications and quality requirements, whether it has discretion in selecting suppliers and determining procurement pricing with availability of many alternative qualified suppliers, and whether it has the right to decide the sales counterparty and pricing, while also bearing significant inventory risks. If the Group is deemed to control the steel products prior to transfer to the customer, then it is the primary responsible person and recognises revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognises revenue based on the expected commission or service fee, which is the net amount after deducting payments to other parties from the total consideration, or based on a pre-determined commission amount or percentage.



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

#### 33. Critical accounting estimates and judgements (Continued)

##### (2) Critical accounting estimates and key assumptions

###### (a) *Measurement of ECL*

The Group calculates ECL through default risk exposure and ECL rate, and determines the ECL rate based on default probability and default loss rate or the ageing matrix. In determining the ECL rate, the Group uses data such as internal historical credit losses experience and adjusts historical data based on current conditions and forward-looking information.

When considering forward-looking information, the Group has considered different macroeconomic scenarios. The weights of "benchmark", "unfavourable" and "favourable" economic scenarios are 68%, 16% and 16% respectively. The Group regularly monitors and reviews important macroeconomic assumptions and parameters related to the calculation of ECL, including the growth rate of Gross Domestic Product ("GDP"), inflation rate, China's merchandise exports as a percentage of nominal GDP, U.S. nominal retail sales growth rate, Chinese fiscal balance and Chinese money supply growth rate. The Group considered the uncertainty under different macroeconomic scenarios and updated the relevant assumptions and parameters.

###### (b) *Impairment of long-term assets*

As described in Note II.20, if a long-term asset (including fixed assets, construction in progress, long-term equity investments, intangible assets and right-of-use assets) and goodwill 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 of disposal and the present value of the future cash flows expected to be derived from it, which require the use of estimates.

The Group uses the estimate of present value of future cash flows to determine the recoverable amount. As there are uncertainties of the economic environment of relevant region, the revenue growth rate, gross profit margin and pre-tax discount rate used in calculating the present value of estimated future cash flows are also subject to uncertainties.

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

If the management revises the gross profit margin used in the future cash flow calculation of the relevant asset group, and the revised gross profit margin is lower than the gross profit margin currently used, the Group needs to increase the provision for impairment of relevant assets.

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

#### 33. Critical accounting estimates and judgements (Continued)

##### (2) Critical accounting estimates and key assumptions (Continued)

###### (b) *Impairment of long-term assets (Continued)*

If the management revises the discount rate before tax applied to the cash flow discount and the revised discount rate before tax is higher than the discount rate currently used, the Group needs to increase the provision for impairment of relevant assets.

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

###### (c) *Provision for decline in the value of inventories*

As described in Note II.11, the net realisable value of inventories is under the management's regular review, and as a result, the decline in the value 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 profit or loss may then be affected in the current period when the provision for decline in the value of inventories is adjusted.

###### (d) *Depreciation and amortisation of assets such as fixed assets and intangible assets*

As described in Note II.14 and 17, fixed assets, intangible assets and other assets are depreciated and 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 previous estimates, depreciation and amortisation expenses will be adjusted in future periods.

###### (e) *Warranties*

As described in Note IV.36, the Group makes provisions under the warranties it gives on the sales of its products based mainly on the Group's recent maintenance 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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### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 33. Critical accounting estimates and judgements (Continued)

##### (2) Critical accounting estimates and key assumptions (Continued)

###### (f) *Completion progress of the project engineering contract*

As described in Note II.25, 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 costs incurred to the total estimated contract costs or actual 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 changes of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

###### (g) *Income taxes and deferred income taxes*

The Group is subject to corporate 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 3 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 recognised deferred tax assets, deferred 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 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 amount of deferred tax assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 33. Critical accounting estimates and judgements (Continued)

##### (2) Critical accounting estimates and key assumptions (Continued)

###### (h) 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 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 XVII.1, several significant judgements and assumptions are used.

#### 34. Changes in Significant Accounting Policies

In 2024, the Group has adopted the accounting requirements and guidance under the Accounting Standards for Business Enterprises newly issued by the Ministry of Finance, mainly including:

- The “Presentation of Assurance-type Warranty Expenses” in the “Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024”.

In accordance with the provisions of the “Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024” issued by the Ministry of Finance, the Group will include the assurance-type warranty expenses accrued by the Group into “cost of sales from main operations” or “cost of sales from other operations” and will no longer include them into “sales expenses”.

The Group has adopted the retrospective adjustment method to make corresponding adjustments to the financial statement data for the comparable period.

The effects of the above changes in accounting policies on each item of the consolidated income statement and company income statement for January – June 2024 are as follows:

	Increase/(decrease) in the line items as a result of applying new accounting policies	
	The Group	The Company
Cost of sales	55,073	–
Selling and distribution expenses	(55,073)	–

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 34. Changes in Significant Accounting Policies (Continued)

The effects of the above changes in accounting policies on each item of the consolidated income statement and company income statement for January – June 2023 are as follows:

	Before adjustments	The Group The amounts of adjustments	After adjustments
Cost of sales	52,299,058	113,367	52,412,425
Selling and distribution expenses	1,241,270	(113,367)	1,127,903

	Before adjustments	The Company The amounts of adjustments	After adjustments
Cost of sales	–	–	–
Selling and distribution expenses	–	–	–

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### III. TAXATION

#### 1. Main taxes categories and rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	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%
Corporate income tax	Taxable income	Note 1
Sales tax/VAT in the United States/Germany/United Kingdom	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	6% – 20%

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

	2024	2023
The Company	25%	25%
Subsidiaries registered in China	15-25%	15-25%
Subsidiaries registered in Hong Kong, China	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	19-25%	19-25%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25.8%	25.8%
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%

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### III. TAXATION (CONTINUED)

#### 2. Preferential tax treatments

In 2024, 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 Corporate Income Tax Law of the People's Republic of China, the following subsidiaries of the Group can enjoy the preferential corporate income tax policies at the rate of 15% during the validity period:

Name of enterprises	Location statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	15%	High-tech enterprise
Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Yangzhou Runyang Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	15%	High-tech enterprise
Taicang CIMC Reefer Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Taicang CIMC Special Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Qingdao CIMC Special Reefer Co., Ltd.	25%	15%	15%	High-tech enterprise
Beijing CIMC Zhiben Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Cold Cloud (Beijing) Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Hunan CIMC New Material Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Qingdao CIMC Chuangying Composites Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen Qianhai Ruiji Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Dalian CIMC Special Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Guangdong Haizhong New Energy Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Wuhu CIMC RuiJiang Automobile Co., Ltd.	25%	15%	15%	High-tech enterprise
Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	15%	High-tech enterprise
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	25%	15%	15%	High-tech enterprise
Dongguan CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprise
Zhumadian CIMC Huajun Vehicle Casting Co., Ltd.	25%	15%	15%	High-tech enterprise
Shandong Master Special Purpose Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Vehicles (Shandong) Co., Ltd.	25%	15%	15%	High-tech enterprise
Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Vehicles (Jiangmen) Co., Ltd.	25%	15%	15%	High-tech enterprise
Jiangsu Baojing Auto Parts Co., Ltd.	25%	15%	15%	High-tech enterprise

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### III. TAXATION (CONTINUED)

#### 2. Preferential tax treatments (Continued)

Name of enterprises	Location statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Qingdao CIMC Reefer Trailer Co., Ltd.	25%	15%	15%	High-tech enterprise
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	15%	High-tech enterprise
Enric (Bengbu) Compressor Co., Ltd.	25%	15%	15%	High-tech enterprise
Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	15%	High-tech enterprise
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Environmental Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	15%	High-tech enterprise
Nantong CIMC Energy Equipment Co, Ltd.	25%	15%	15%	High-tech enterprise
Nantong CIMC Pacific Ocean Engineering Co., Ltd.	25%	15%	15%	High-tech enterprise
Anjiehui Internet of Things Information Technology (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprise
Shanghai CIMC TGE Gas Engineering Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Enric Engineering Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Liquid Process Technologies Co., Ltd.	25%	15%	15%	High-tech enterprise
Suzhou CIMC LiangCai Logistics Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	15%	High-tech enterprise
Cuilian (China) Fire Safety Equipment Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
Deli Kyushu Logistics Automation System (Beijing) Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Deli Logistics System (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprise
Xinfa Airport Equipment Ltd.	25%	15%	15%	High-tech enterprise
Shanghai Jindun Special Vehicle Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenyang Jietong Fire Truck Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Security Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen CIMC-Tianda Jirong Aviation Air-conditioning Co., Ltd.	25%	15%	15%	High-tech enterprise
Sichuan Chuanxiao Fire Safety Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### 1. Cash and cash equivalent

	30 June 2024	31 December 2023
Cash in hand	5,731	6,671
Bank deposits (i)	19,979,441	19,960,561
Other cash balances	1,792,645	1,357,219
	<b>21,777,817</b>	<b>21,324,451</b>
Including: Total cash abroad	<b>3,654,276</b>	<b>3,526,068</b>

- (i) As at 30 June 2024, restricted cash and cash equivalents of the Group amounted to RMB1,519,694,000 (31 December 2023: RMB2,137,353,000)(Note IV.27).
- (ii) As at 30 June 2024, restricted cash and cash equivalents of the Group mentioned above included deposits of CIMC Finance Company ("Finance Company"), a subsidiary of the Group, in the People's Bank of China, amounting to RMB404,616,000 (31 December 2023: RMB402,642,000). Finance Company is a finance institution authorised by the People's Bank of China.

#### 2. Financial assets held for trading

	30 June 2024	31 December 2023
Financial product (i)	2,000,000	–
Monetary fund and equity investments (ii)	471,207	320,052
Contingent consideration	17,704	17,704
	<b>2,488,911</b>	<b>337,756</b>

- (i) They mainly comprise financial product hold by CIMC Group's head office.
- (ii) They mainly comprise monetary fund and equity investments purchased by Finance Company and CIMC Capital Holdings Limited ("CIMC Capital"), the Group's subsidiaries, respectively. The fair value of the fund is determined based on the statement of net assets value provided by fund house as at 30 June 2024, and the value of the equity is determined based on the fair value as at 30 June 2024.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 3. Derivative financial assets and derivative financial liabilities

	Notes	30 June 2024	31 December 2023
Derivative financial assets –			
Foreign exchange forward contracts	(1)	11,818	267,183
Foreign exchange option contracts		37,804	16,916
Exchange rate/interest rate swap contracts		877	39,342
		<b>50,499</b>	323,441
Less: Non-current portion of derivative financial assets			
Exchange rate/interest rate swap contracts (Note IV.15)		–	(22,086)
		<b>50,499</b>	301,355
Derivative financial liabilities –			
Foreign exchange forward contracts	(1)	48,607	260,696
Foreign exchange option contracts		33,225	6,827
Exchange rate/interest rate swap contracts		4,232	7,785
Currency swap contracts		1,360	–
Commitment to minority shareholders	(2)	–	1,425,969
		<b>87,424</b>	1,701,277
Less: Non-current portion of derivative financial liabilities			
Exchange rate/interest rate swap contracts (Note IV.43)		(1,368)	(5,159)
		<b>86,056</b>	1,696,118

#### (1) Foreign exchange forward contracts

As at 30 June 2024, the Group had certain unsettled foreign exchange forward contracts, mainly denominated in US Dollars, Great Britain Pound, Euro, HK Dollar and Australian Dollar. The nominal value of these contracts amounted to USD234,442,000, GBP10,000,000, EUR121,560,000, HKD5,050,000, and AUD4,000,000, respectively. Pursuant to these contracts, the Group is required to buy/sell US Dollar, Great Britain Pound, Euro, HK Dollar, and Australian Dollar, with contracted nominal value at agreed rates in exchange of RMB at 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 2024 to 24 April 2025.

#### (2) Commitment to minority shareholders

CIMC Hong Kong, a wholly-owned subsidiary of the Group, 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 was recognised as derivative financial liabilities at fair value in prior years. On 28 June 2024, the Group exercised its pre-emptive right and entered into relevant Equity Transfer Agreement and Shortfall Making-up Agreement with the minority shareholders of CIMC Offshore. The payment of the amount of shortfall making-up was completed in July 2024.

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 4. Notes receivables

	30 June 2024	31 December 2023
Bank acceptance notes	336,696	312,456
Trade acceptance notes	360,654	422,448
Less: Provision for bad debts	(3,628)	(2,705)
	<b>693,722</b>	<b>732,199</b>

- (a) As at 30 June 2024, the Group had no pledged notes receivables presented in the notes receivables (2023: None).
- (b) As at 30 June 2024, notes receivables endorsed or discounted but not due, presented as notes receivables of the Group are as follows:

	Derecognised	Not derecognised
Bank acceptance notes (i)	–	17,971
Trade acceptance notes	–	120,683
	–	<b>138,654</b>

- (i) 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 fair value through other comprehensive income and listed as receivables financing (Note IV.6).

#### (c) Provision for bad debts

As at 30 June 2024, the Group measured the provision for bad debts of bank acceptance notes based on the lifetime ECL, and the Group believes that there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default. The Group measured the provision for trade acceptance notes based on the lifetime ECL. The provision for bad debts of notes receivables in current period was RMB1,577,000 (for the period from 1 January to 30 June in 2023: RMB1,254,000), and the provision for bad debts of notes receivables was included in loss of RMB445,000 (for the period from 1 January to 30 June in 2023: loss of RMB993,000) for the current period.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables

	30 June 2024	31 December 2023
Accounts receivables	33,355,355	24,120,988
Less: Provision for bad debts	(1,220,391)	(1,171,515)
	<b>32,134,964</b>	<b>22,949,473</b>

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

	30 June 2024	31 December 2023
Within 1 year (inclusive)	32,242,724	21,172,829
1 to 2 years (inclusive)	600,030	1,428,275
2 to 3 years (inclusive)	229,781	654,484
Over 3 years	282,820	865,400
	<b>33,355,355</b>	<b>24,120,988</b>

(b) As at 30 June 2024, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for bad debts	% of total accounts receivables
Total of the five largest accounts receivables and contract assets	5,530,173	1,591	16.58%

(c) Accounts receivables derecognised due to transfer of financial assets:

From January to June 2024 and 2023, the Group has no accounts receivables derecognized due to transfer of financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables (Continued)

##### (d) Provision for bad debts

For the accounts receivables of the Group, whether there is a significant financing component or not, the loss provision is measured according to the lifetime ECL.

The provision for bad debts on accounts receivables by category is analysed as follows:

	30 June 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total amount	Amount	Accrual rate	Amount	% of total amount	Amount	Accrual rate
Provision for bad debts on an individual basis (i)	614,094	1.84%	334,928	54.54%	749,725	3.11%	387,208	51.65%
Provision for bad debts on a collective basis (ii)	32,741,261	98.16%	885,463	2.70%	23,371,263	96.89%	784,307	3.36%
	33,355,355	100.00%	1,220,391	3.66%	24,120,988	100%	1,171,515	4.86%

(i) As at 30 June 2024, accounts receivables with amounts that the related provision for bad debts was set aside on an individual basis are analysed as follows:

	Book balance	Lifetime ECL rate	Provision for bad debts	Reason
Containers manufacturing business	310,947	14.55%	45,240	Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment business	119,909	96.69%	115,939	
Airport facilities and logistics equipment, fire safety and rescue equipment business	145,338	93.82%	136,358	
Logistics services business	13,313	100.00%	13,313	
Offshore engineering business	24,587	97.93%	24,078	
	614,094		334,928	

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables (Continued)

##### (d) Provision for bad debts (Continued)

(ii) As at 30 June 2024, provision for bad debts of accounts receivables collectively assessed is analysed as follows:

Collectively assessed 1 – Containers manufacturing business:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	10,148,204	0.02%	2,124	3,861,128	0.02%	758
Overdue within 1 month	1,007,578	0.72%	7,275	585,502	0.33%	1,943
Overdue for 1 to 3 months	286,854	1.17%	3,362	378,637	0.57%	2,174
Overdue for 3 to 12 months	373,177	2.20%	8,203	491,472	2.28%	11,224
Overdue for 1 to 2 years	96,912	8.05%	7,798	172,289	6.17%	10,631
Overdue for 2 to 3 years	2,972	100.00%	2,972	340	100.00%	340
Overdue for 3 to 5 years	340	100.00%	340	-	-	-
	11,916,037		32,074	5,489,368		27,070

Collectively assessed 2 – Road transportation vehicles business:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	2,643,845	2.09%	55,235	2,481,763	2.08%	51,515
Overdue within 1 month	379,541	5.71%	21,672	491,179	8.17%	40,134
Overdue for 1 to 3 months	538,269	5.71%	30,736	298,745	8.17%	24,410
Overdue for 3 to 12 months	817,698	5.71%	46,691	455,569	8.17%	37,224
Overdue for 1 to 2 years	108,929	24.97%	27,199	62,551	36.80%	23,021
Overdue for 2 to 3 years	52,941	68.60%	36,315	42,537	77.14%	32,812
Overdue for 3 to 5 years	23,518	100.00%	23,518	23,813	100.00%	23,813
Overdue for more than 5 years	31,249	100.00%	31,249	26,088	100.00%	26,088
	4,595,990		272,615	3,882,245		259,017

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables (Continued)

##### (d) Provision for bad debts (Continued)

- (ii) As at 30 June 2024, provision for bad debts of accounts receivables collectively assessed is analysed as follows:  
(Continued)

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

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	2,758,127	1.66%	45,921	2,703,263	2.44%	65,828
Overdue within 1 month	125,700	4.41%	5,539	233,021	2.96%	6,898
Overdue for 1 to 3 months	252,021	4.99%	12,577	114,952	2.96%	3,403
Overdue for 3 to 12 months	223,622	8.00%	17,900	242,484	4.46%	10,815
Overdue for 1 to 2 years	62,816	26.27%	16,502	46,491	17.46%	8,119
Overdue for 2 to 3 years	21,239	38.41%	8,157	17,594	25.83%	4,545
Overdue for 3 to 5 years	17,297	69.02%	11,939	15,360	45.03%	6,917
Overdue for more than 5 years	34,096	100.00%	34,096	30,092	100.00%	30,092
	<b>3,494,918</b>		<b>152,631</b>	<b>3,403,257</b>		<b>136,617</b>

Collectively assessed 4 – Offshore engineering business:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	523,242	0.12%	622	1,179,459	0.25%	2,956
Overdue within 1 month	609,502	2.73%	16,612	147	4.76%	7
Overdue for 1 to 3 months	412,097	4.50%	18,549	6,542	5.00%	327
Overdue for 3 to 12 months	198,573	5.11%	10,141	4,299	5.00%	215
Overdue for 1 to 2 years	20,373	70.78%	14,419	24,763	70.59%	17,479
Overdue for 2 to 3 years	-	-	-	-	-	-
Overdue for 3 to 5 years	10,878	100.00%	10,878	18,581	100.00%	18,581
Overdue for more than 5 years	-	-	-	-	-	-
	<b>1,774,665</b>		<b>71,221</b>	<b>1,233,791</b>		<b>39,565</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables (Continued)

##### (d) Provision for bad debts (Continued)

(ii) As at 30 June 2024, provision for bad debts of accounts receivables collectively assessed is analysed as follows:  
(Continued)

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

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	1,472,977	0.83%	12,290	1,950,298	0.81%	15,813
Overdue within 1 month	163,094	5.48%	8,934	159,847	5.51%	8,808
Overdue for 1 to 3 months	108,729	5.48%	5,956	267,553	5.51%	14,744
Overdue for 3 to 12 months	634,253	5.48%	34,743	319,338	5.51%	17,597
Overdue for 1 to 2 years	174,379	18.59%	32,425	258,335	19.05%	49,215
Overdue for 2 to 3 years	123,004	46.73%	57,475	100,037	44.79%	44,807
Overdue for more than 3 years	110,248	73.73%	81,282	102,226	84.04%	85,913
	<b>2,786,683</b>		<b>233,105</b>	<b>3,157,634</b>		<b>236,897</b>

Collectively assessed 6 – Logistics services business:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	4,252,908	0.85%	36,289	2,609,749	0.87%	22,600
Overdue within 1 month	240,115	1.38%	3,308	379,638	1.00%	3,796
Overdue for 1 to 3 months	235,679	1.82%	4,294	143,779	1.00%	1,438
Overdue for 3 to 12 months	169,265	2.27%	3,840	148,336	1.00%	1,483
Overdue for 1 to 2 years	119,826	17.71%	21,221	64,171	20.00%	12,834
Overdue for 2 to 3 years	20,614	88.24%	18,189	8,415	80.00%	6,732
Overdue for more than 3 years	12,713	98.47%	12,518	15,334	100.00%	15,334
	<b>5,051,120</b>		<b>99,659</b>	<b>3,369,422</b>		<b>64,217</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables (Continued)

##### (d) Provision for bad debts (Continued)

- (ii) As at 30 June 2024, provision for bad debts of account receivables collectively assessed is analysed as follows:  
(Continued)

Collectively assessed 7- Recycled load business:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	689,846	0.06%	432	641,678	0.27%	1,763
Overdue within 1 month	74,625	0.81%	601	76,487	3.00%	2,295
Overdue for 1 to 3 months	69,615	1.63%	1,134	45,363	3.00%	1,361
Overdue for 3 to 12 months	77,386	2.13%	1,645	45,436	3.00%	1,363
Overdue for 1 to 2 years	15,555	25.59%	3,980	3,703	30.00%	1,111
Overdue for more than 2 years	5,709	100.00%	5,709	3,073	100.00%	3,073
	<b>932,736</b>		<b>13,501</b>	<b>815,740</b>		<b>10,966</b>

Collectively assessed 8 – Other business:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	2,027,079	0.01%	263	1,943,303	0.02%	393
Overdue within 1 month	84,207	0.36%	307	3,252	0.86%	28
Overdue for 1 to 3 months	2,240	2.01%	45	31,768	1.17%	371
Overdue for 3 to 12 months	66,463	2.12%	1,410	30,610	1.17%	359
Overdue for 1 to 2 years	672	26.93%	181	3,443	39.99%	1,377
Overdue for more than 2 years	8,451	100%	8,451	7,430	100.00%	7,430
	<b>2,189,112</b>		<b>10,657</b>	<b>2,019,806</b>		<b>9,958</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Accounts receivables (Continued)

- (e) The provision for bad debts this period amounted to RMB124,503,000 (January-June 2023: RMB120,254,000). A provision for bad debts amounted to RMB70,690,000 has been collected or reversed (January-June in 2023: RMB76,224,000). No significant provision for bad debts was collected or reversed.
- (f) The accounts receivables amounted to RMB4,315,000 was written off this period (January-June in 2023: RMB18,401,000), the provision for bad debts amounted to RMB4,315,000 in the current period (January-June 2023: RMB18,401,000). No significant provision for bad debts was written off.
- (g) As at 30 June 2024, the Group has no accounts receivables pledged to the bank as a guarantee for short-term borrowings (2023: Nil).

#### 6. Receivables financing

	30 June 2024	31 December 2023
Bank acceptance notes	683,243	1,062,982
Less: Provision for bad debts	(724)	(724)
	<b>682,519</b>	<b>1,062,258</b>

Some subsidiaries of the Group discounted and endorsed 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 fair value through other comprehensive income.

As at 30 June 2024, as the credit risk characteristics of these bank acceptance notes were similar, no provision for impairment was made individually. The Group believes that there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default. The Group measured the provision for bad debts of RMB724,000 (31 December 2023: RMB724,000) according to the lifetime ECL, with RMB173,000 (2023: RMB55,000) recognised in profit or loss.

The Group pledged some bank acceptance notes to the bank for the issuance of bank acceptance notes. As at 30 June 2024, the amount of pledged bank acceptance notes receivables disclosed in receivables financing was RMB2,770,000 (31 December 2023: RMB2,000,000).

As at 30 June 2024, except for Note IV.4(b), the Group's bank acceptance notes endorsed or discounted but not yet due was RMB2,941,867,000 including RMB2,940,325,000 were derecognised and RMB1,542,000 were not derecognised.

	Derecognised	Not derecognised
Bank acceptance notes	<b>2,940,325</b>	1,542

For the period from 1 January to 30 June 2024, the Group did not write off significant receivables financing (For the period from 1 January to 30 June 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 7. Other receivables

	Note	30 June 2024	31 December 2023
Deposits and guarantees		974,604	804,325
Receivables arising from financing for related parities	VIII.5(2)	774,266	702,715
Disbursements		157,022	315,398
Dividends receivable		383,666	382,747
Loans		56,415	121,913
Tax refund receivables		136,587	166,425
Interest receivable		8,895	4,787
Government grants receivable		39,118	18,388
Receivables from demolition compensation		211,764	14,202
Receivables from share capital increase/transfer		3,615	–
Assets purchased under reverse repurchase agreements		1,469,000	1,163,718
Others		1,280,946	1,169,875
Sub-total		5,495,898	4,864,493
Less: Provision for bad debts		(294,085)	(295,383)
		5,201,813	4,569,110

The Group did not include funds in other parties and present them on other receivables as a result of the centralised fund management.

(1) The ageing analysis of other receivables was as follows:

	30 June 2024	31 December 2023
Within 1 year	4,023,995	4,378,044
1 to 2 years	1,107,967	243,225
2 to 3 years	137,180	48,645
Over 3 years	226,756	194,579
	5,495,898	4,864,493

(2) Loss provision and changes in book balance

The provision for other receivables are analysed by category as follows:

	30 June 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Accrual rate	Amount	% of total balance	Amount	Accrual rate
Provision for bad debts individually assessed (i)	2,798,199	51%	(176,749)	6%	2,735,917	56%	(187,022)	7%
Provision for bad debts collectively assessed (ii)	2,697,699	49%	(117,336)	4%	2,128,576	44%	(108,361)	5%
	5,495,898	100%	(294,085)	5%	4,864,493	100%	(295,383)	6%

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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)

The provision for other receivables are analysed by category as follows (Continued):

	First stage					Third stage					
	ECL in the next 12 months (collectively assessed)		ECL in the next 12 months (individually assessed)		Sub-total	Lifetime ECL (suffered credit impairment) (collectively assessed)		Lifetime ECL (suffered credit impairment) (individually assessed)		Sub-total	Total
	Provision	Provision	Provision	Provision		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 2023	2,112,672	94,329	2,519,328	31,966	126,295	15,904	14,032	216,589	155,056	169,088	295,383
Increase in current period	7,907,785	19,793	3,835,860	23,325	43,118	58,919	1,601	-	-	1,601	44,719
Decrease in current period	(7,392,036)	(7,370)	(3,731,696)	(1,965)	(9,335)	(5,545)	(5,049)	(41,882)	(31,633)	(36,682)	(46,017)
Including: Write-off in current period	-	-	-	-	-	-	-	-	-	-	-
Transfer to the third stage	-	-	-	-	-	-	-	-	-	-	-
30 June 2024	2,628,421	106,752	2,623,492	53,326	160,078	69,278	10,584	174,707	123,423	134,007	294,085

(i) As at 30 June 2024, the Group had no other receivables transferred to the first stage.

As at 30 June 2024 and 31 December 2023, the Group had no other receivables at the second stage.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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)

As at 30 June 2024 and 31 December 2023, provision for bad debts of other receivables individually assessed is as follows:

(ii) As at 30 June 2024, provision for bad debts of other receivables individually assessed is as follows:

<b>First stage</b>	<b>Book balance</b>	<b>ECL rate in the next 12 months</b>	<b>Provision for bad debts</b>
Deposits and guarantees	110,053	15.63%	17,202
Receivables arising from financing for related parties	752,898	2.45%	18,463
Tax refund receivables	1,725	0.00%	–
Disbursements	19,604	44.31%	8,686
Assets purchased under reverse repurchase agreements	1,469,000	0.00%	–
Government grants receivable	17,440	0.49%	86
Others	252,772	3.52%	8,889
	<b>2,623,492</b>		<b>53,326</b>

<b>Third stage</b>	<b>Book balance</b>	<b>Lifetime ECL rate</b>	<b>Provision for bad debts</b>
Disbursements	2,200	100.00%	2,200
Receivables arising from financing for related parties	20,354	100.00%	20,354
Deposits and guarantees	158	36.71%	58
Others	151,995	66.33%	100,811
	<b>174,707</b>		<b>123,423</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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)

(iii) As at 31 December 2023, provision for bad debts of other receivables individually assessed is as follows:

<b>First stage</b>	<b>Book balance</b>	<b>ECL rate in the next 12 months</b>	<b>Provision for bad debts</b>
Receivables arising from financing for related parities	599,866	2.44%	14,630
Deposits and guarantees	269,533	5.99%	16,140
Tax refund receivables	447	–	–
Disbursements	39,163	1.70%	665
Assets purchased under reverse repurchase agreements	1,163,718	–	–
Receivables from demolition compensation	500	–	–
Others	446,101	0.12%	531
	<b>2,519,328</b>		<b>31,966</b>

<b>Third stage</b>	<b>Book balance</b>	<b>Lifetime ECL rate</b>	<b>Provision for bad debts</b>
Deposits and guarantees	6,370	100.00%	6,370
Receivables arising from financing for related parities	20,354	65.72%	13,376
Disbursements	2,200	100.00%	2,200
Loans	2,848	45.01%	1,282
Others	184,817	71.33%	131,828
	<b>216,589</b>		<b>155,056</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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)

(iv) As at 30 June 2024 and 31 December 2023, provision for bad debts of other receivables collectively assessed is as follows:

	30 June 2024			31 December 2023		
	Book balance Amount	Loss provision Amount	Accrual rate	Book balance Amount	Loss provision Amount	Accrual rate
<b>First stage</b>						
Deposits and guarantees	815,947	31,401	3.85%	524,295	33,664	6.42%
Dividends receivable	383,666	–	–	382,747	0.00	0.00
Disbursements	130,974	6,904	5.27%	269,796	3,513	1.30%
Tax refund receivables	134,862	–	–	165,978	0	0
Interest receivable	8,895	–	–	4,787	0.00	0.00
Government grants receivable	21,678	106	0.49%	18,388	787	4.28%
Receivables arising from financing for related parities	1,014	–	–	82,495	2,062	2.50%
Receivables from demolition compensation	211,764	–	–	13,702	0.00	0.00
Receivables from share capital increase/transfer	3,615	–	–	0	0.00	0.00
Loans	39,827	996	2.50%	111,527	3,035	2.72%
Others	876,179	67,345	7.69%	538,957	51,268	9.51%
	<b>2,628,421</b>	<b>106,752</b>		<b>2,112,672</b>	<b>94,329</b>	

	30 June 2024			31 December 2023		
	Book balance Amount	Loss provision Amount	Accrual rate	Book balance Amount	Loss provision Amount	Accrual rate
<b>Third stage</b>						
Deposits and guarantees	48,446	330	0.68%	4,127	4,127	100.00%
Loans	16,588	6,015	36.26%	7,538	5,666	75.17%
Disbursements	4,244	4,239	99.88%	4,239	4,239	100.00%
	<b>69,278</b>	<b>10,584</b>		<b>15,904</b>	<b>14,032</b>	

(3) The provision for bad debts in current period amounted to RMB44,719,000 (January-June 2023: RMB30,469,000). The provision for bad debts amounted to RMB46,319,000 has been collected or reversed (1 January to 30 June 2023: RMB30,835,000). No significant other receivables were collected or reversed.

(4) There is no other receivables written off in current period.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 7. Other receivables (Continued)

- (5) As at 30 June 2024, the five largest balances of other receivables are analysed as follows, accumulated by arrearage parties:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Third-party securities companies	Assets purchased under reverse repurchase agreements	1,469,000	Within 1 year (inclusive)	28.24%	–
Yangzhou Jichuang Industrial Park Development Co., Ltd.	Receivables arising from financing for related parties	739,660	1 to 2 years (inclusive)	14.22%	18,492
Qianhai Jingji (Shenzhen) Industrial Development Co., LTD	Receivables from demolition compensation	211,764	Within 1 year (inclusive)	4.07%	–
Tianjin Zhaoyin Jinyi Equipment leasing Co., LTD	Guarantees	189,013	Within 1 year (inclusive)	3.63%	–
Dongguan CIMC Innovation Industrial Park Development Co., Ltd.	Disbursements	139,279	3 to 5 years (inclusive)	2.68%	1,218
		2,748,716		52.84%	

(i) Yangzhou Jichuang Industrial Park Development Co., Ltd. is a subsidiary of CIMC Industry & City (Note VIII.5(2)).



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 8. Advances to suppliers

	30 June 2024	31 December 2023
Advances to suppliers	8,665,068	8,690,138
Less: Impairment provision	(206,054)	(206,508)
	<b>8,459,014</b>	<b>8,483,630</b>

(1) Ageing analysis of advance to suppliers was as follows:

	30 June 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	7,015,822	80.97%	7,251,614	83.45%
1 to 2 years (inclusive)	947,519	10.93%	793,145	9.13%
2 to 3 years (inclusive)	394,278	4.55%	165,579	1.90%
Over 3 years	307,449	3.55%	479,800	5.52%
	<b>8,665,068</b>	<b>100.00%</b>	<b>8,690,138</b>	<b>100.00%</b>

The ageing is calculated from the date that advance to suppliers were recognised.

As at 30 June 2024, the advance to suppliers aged over one year amounted to RMB1,649,246,000 (31 December 2023: RMB1,438,524,000), mainly for the Group's prepayments for raw materials and equipment related to the offshore engineering business. As the production cycle of projects in offshore engineering projects is usually more than 1 year, these advance to suppliers have not yet been settled.

(2) As at 30 June 2024, the five largest balances of advance to suppliers are analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Total of the five largest advance to suppliers	2,609,630	30.12%

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 9. Inventories

##### (1) Inventories summarised by categories are as follows

	30 June 2024			31 December 2023		
	Book balance	Provision for decline in the value of inventories and impairment of contract fulfilment costs	Carrying amount	Book balance	Provision for decline in the value of inventories and impairment of contract fulfilment costs	Carrying amount
Raw materials	9,130,160	(297,496)	8,832,664	7,015,656	(294,948)	6,720,708
Finished goods and stocks	6,533,236	(126,686)	6,406,550	6,618,194	(110,744)	6,507,450
Products in progress	4,815,446	(77,191)	4,738,255	4,055,716	(80,252)	3,975,464
Offshore engineering project	1,215,919	(525,453)	690,466	1,186,889	(512,908)	673,981
Spare parts	432,295	(1,129)	431,166	431,049	(3,804)	427,245
Contract fulfilment costs (i)	695,166	-	695,166	298,233	(10,486)	287,747
Commissioned processing materials	215,699	(65)	215,634	281,293	(65)	281,228
Products under development in the industrial park	232,339	(3,064)	229,275	231,103	(3,064)	228,039
Completed products in the industrial park	63,484	(10,508)	52,976	63,618	(10,508)	53,110
Low-valued consumables	56,035	(1,067)	54,968	32,079	(1,067)	31,012
Materials in transit	49,344	-	49,344	14,118	-	14,118
	<b>23,439,123</b>	<b>(1,042,659)</b>	<b>22,396,464</b>	<b>20,227,948</b>	<b>(1,027,846)</b>	<b>19,200,102</b>

- (i) The book balance of contract fulfilment 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 fulfilment 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 2024, the amortisation of contract fulfilment costs included in cost of sales totalled RMB412,844,000 (For the period from 1 January to 30 June 2023: RMB365,613,000).

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 9. Inventories (Continued)

(2) Provision for decline in the value of inventories and impairment of contract fulfilment costs are as follows:

Category	31 December 2023	Increase in current year Recognise	Decrease in current period		Translation difference of foreign currency statements	30 June 2024
			Reversal	Write-off		
Raw materials	294,948	25,769	(19,957)	(6,212)	2,948	297,496
Products in progress	80,252	4,644	(6,030)	(1,545)	(130)	77,191
Finished goods and stocks	110,744	15,104	(2,070)	(683)	3,591	126,686
Commissioned processing materials	65	-	-	-	-	65
Spare parts	3,804	-	(3,508)	-	833	1,129
Low-valued consumables	1,067	-	-	-	-	1,067
Completed products in the industrial park	10,508	-	-	-	-	10,508
Products under development in the industrial park	3,064	-	-	-	-	3,064
Offshore engineering project	512,908	-	-	-	12,545	525,453
Contract fulfilment costs	10,486	-	(10,486)	-	-	-
	1,027,846	45,517	(42,051)	(8,440)	19,787	1,042,659

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 9. Inventories (Continued)

(3) Provision for decline in the value of inventories is as follows:

- (a) For the period from 1 January to 30 June 2024, the provision for decline in the value of the Group's inventories was recognised mainly for the price drop of certain products and the slow-moving or waste materials.

Reversal/Write-off of provision for decline in the value of the Group's inventories during the year is as follows:

Category	Basis for determining net realisable value	Reason for reversal/write-off
Raw materials	Market price	Usage or sales of inventories/ increase in realisable value
Products in progress	The estimated selling price of the finished product less the estimated cost to completion, estimated selling and distribution expenses and related taxes	Usage or sales of inventories/ increase in realisable value
Finished goods and stocks	Market price	Usage or sales of inventories/ increase in realisable value
Spare parts	Market price	Usage or sales of inventories/ increase in realisable value
Low-valued consumables	Market price	Usage or sales of inventories/ increase in realisable value
Products completed (under development) in the industrial park	The estimated selling price of the finished product less the estimated cost to completion, estimated selling and distribution expenses and related taxes	Usage or sales of inventories/ increase in realisable value
Offshore engineering project	Market price and estimated selling price of the finished goods less estimated costs to completion, estimated selling and distribution expenses and related taxes	Usage or sales of inventories/ increase in realisable value

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 10. Contract assets

	30 June 2024	31 December 2023
Contract assets	8,608,830	7,281,975
Less: Contract assets impairment provision	(99,420)	(83,802)
	<b>8,509,410</b>	<b>7,198,173</b>

Regardless of whether there is a significant financing component in the contract assets, the Group measures the loss provision based on the lifetime ECL.

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 10% – 30% of the contract price after the contract is signed; (2) prepay 60% – 70% of the contract price when the equipment arrives at the project site and passes the acceptance; (3) prepay 70% – 85% of the contract price if the project passes the preliminary acceptance; (4) prepay 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 labour services, the excess part shall be recognised as contract liabilities, otherwise it shall be recognised 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 labour services, the excess part shall be recognised as contract liabilities, otherwise it shall be recognised 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 labour services, the excess part shall be recognised as contract liabilities, otherwise it shall be recognised as contract assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 10. Contract assets (Continued)

As at 30 June 2024, impairment provision of contract assets individually assessed is as follows:

	Book balance	Lifetime ECL rate	Impairment provision
Energy, chemical and liquid food equipment	111,434	22.08%	24,600
Others	3,610	–	–
	115,044		24,600

As at 31 December 2023, impairment provision of contract assets individually assessed is as follows:

	Book balance	Lifetime ECL rate	Impairment provision
Energy, chemical and liquid food equipment	111,223	27.46%	30,544
Others	20,839	–	–
	132,062		30,544

As at 30 June 2024, impairment provision of contract assets collectively assessed is as follows:

	Book balance	Lifetime ECL rate	Impairment provision
Offshore engineering	3,846,121	0.54%	20,688
Energy, chemical and liquid food equipment	2,920,864	1.27%	37,069
Airport facilities and logistics equipment, fire safety and rescue equipment	1,137,962	1.50%	17,063
Others	588,839	–	–
	8,493,786		74,820

As at 31 December 2023, impairment provision of contract assets collectively assessed is as follows:

	Book balance	Lifetime ECL rate	Impairment provision
Offshore engineering	3,040,200	0.57%	17,221
Energy, chemical and liquid food equipment	2,232,791	1.10%	24,582
Airport facilities and logistics equipment, fire safety and rescue equipment	1,403,220	0.82%	11,455
Others	473,702	–	–
	7,149,913		53,258

For the period from 1 January to 30 June 2024, the Group had not write off significant contract assets (For the period From 1 January to 30 June 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 11. Assets held for sale and Liabilities held for sale

##### Gulf Driller V Pte. Ltd.

On 8 December 2022, Gulf Driller V Pte Ltd., a subsidiary of the Group, and Tianjin Neptune Leasing Co., Ltd. entered into an irrevocable transfer agreement, and on 28 December 2023, a supplemental agreement was signed by both parties. The asset transfer will be completed within 2024, and the Group classified it as an assets held for sale.

	30 June 2024			
	Carrying amount immediately before classifying as held for sale	Provision for impairment of assets held for sale	Translation difference of foreign currency statements	Carrying amount
Jack-up drilling platform	521,589	(136,291)	26,714	412,012

##### Qingdao CIMC Special Vehicle Co., Ltd.

In June 2024, CIMC Vehicles, a subsidiary of the Group, entered into a share transfer agreement with Chenhua (Shenzhen) Holdings Co., Ltd. to divest 100% equity interest in Qingdao CIMC Special Vehicle Co., Ltd. (hereinafter referred to as "Qingdao Special Vehicle"). The industrial and commercial registration changes and equity transfer were completed in July 2024. As of 30 June 2024, the relevant assets and liabilities of Qingdao Special Vehicle have been reclassified as "Assets held for sale" and "Liabilities held for sale" respectively.

	30 June 2024			
	Carrying amount immediately before classifying as held for sale	Provision for impairment of assets held for sale	Translation difference of foreign currency statements	Carrying amount
Assets held for sale	23,673	–	–	23,673
Liabilities held for sale	21,549	–	–	21,549

## 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)

#### 12. Current portion of non-current assets

	30 June 2024	31 December 2023
Sales of goods by installments	75,740	82,315
Less: Impairment provision	(7,496)	(4,825)
	<b>68,244</b>	<b>77,490</b>

#### 13. Other current assets

	30 June 2024	31 December 2023
Tax to be deducted/withheld	1,717,652	1,329,748
Others	172,240	472,056
	<b>1,889,892</b>	<b>1,801,804</b>

#### 14. Other equity investments

	30 June 2024	31 December 2023
<b>Unlisted company equity</b>		
– Bank of Communications Schroder Fund Management Co., Ltd. (“BOCM Schroder”)	312,402	321,414
– China United International Rail Containers Co., Ltd. (“CR Intermodal”)	368,034	378,272
– Shenzhen CIMC Intelligent Technology Co., Ltd.	33,890	44,580
<b>Listed company equity</b>		
– Jade Bird Fire (i)	821,258	899,225
– Shoucheng Holdings Limited (“Shoucheng Holdings”)	263,310	298,691
– China Railway Special Cargo Logistics Co., Ltd. (“China Railway Special Cargo”)	148,012	168,000
– CSG Holding Co., Ltd. (“CSG Holding”)	52,092	57,570
– Otto Energy Limited	781	1,051
	<b>1,999,779</b>	<b>2,168,803</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 14. Other equity investments (Continued)

##### (1) Investment in non-trading equity instruments

	30 June 2024	31 December 2023
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	304,277	313,289
	<b>312,402</b>	<b>321,414</b>
	30 June 2024	31 December 2023
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	(12,746)	(2,508)
	<b>368,034</b>	<b>378,272</b>
	30 June 2024	31 December 2023
Shenzhen CIMC Intelligent Technology Co., Ltd.		
– Historical cost	11,700	11,700
– Accumulated changes in fair value	22,190	32,880
	<b>33,890</b>	<b>44,580</b>
	30 June 2024	31 December 2023
Jade Bird Fire (i)		
– Historical cost	1,200,000	1,200,000
– Accumulated changes in fair value	(378,742)	(300,775)
	<b>821,258</b>	<b>899,225</b>
	30 June 2024	31 December 2023
Shoucheng Holdings		
– Historical cost	191,383	191,383
– Accumulated changes in fair value	71,927	107,308
	<b>263,310</b>	<b>298,691</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 14. Other equity investments (Continued)

##### (1) Investment in non-trading equity instruments (Continued)

	30 June 2024	31 December 2023
China Railway Special Cargo		
– Historical cost	161,563	161,563
– Accumulated changes in fair value	(13,551)	6,437
	<b>148,012</b>	<b>168,000</b>
	30 June 2024	31 December 2023
CSG Holding		
– Historical cost	67,407	67,407
– Accumulated changes in fair value	(15,315)	(9,837)
	<b>52,092</b>	<b>57,570</b>

- (i) The Group purchased restricted shares of Jade Bird Fire (with restricted share trade period of 6 months) from the open market on 21 November 2022, and the shareholding of the Group in Jade Bird Fire was 8.57%. 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 other equity investments.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 15. Other non-current financial assets

	30 June 2024	31 December 2023
Equity investment at fair value through profit or loss (i)	452,811	432,238
Exchange rate/interest rate swap contracts (Note IV.3)	–	22,086
	<b>452,811</b>	<b>454,324</b>

(i) It's equity investment by the Group.

If the financial assets at fair value through profit or loss held by the Group 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.

#### 16. Long-term equity investments

		30 June 2024	31 December 2023
Joint ventures	(1)	781,565	790,101
Associates	(2)	11,700,670	11,430,451
		<b>12,482,235</b>	<b>12,220,552</b>
Less: Impairment provision for long-term equity investments		(211,112)	(223,696)
		<b>12,271,123</b>	<b>11,996,856</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16. Long-term equity investments (Continued)

##### (1) Joint ventures

	Movements for the period								Translation difference of foreign currency statements	Ending balance of impairment provision
	31 December 2023	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Share of other changes in equity	Declared cash dividends or profits	Provision for impairment	Other changes		
Jiangsu Wanjiang Technology Co., Ltd.	8,089	-	(156)	-	-	-	-	-	7,933	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	62,251	-	(3,561)	-	-	-	-	-	58,690	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	14,399	-	1,099	-	-	-	-	-	15,498	-
Dalian Jilong & Baijian Logistics Co., Ltd.	2,706	-	-	-	-	-	-	-	2,706	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	10,469	-	(217)	-	-	-	-	-	10,252	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership (Limited Partnership)	12,500	(12,500)	-	-	-	-	-	-	-	-
Shenzhen CIMC Lvmal Logistics and Intelligent Transportation Private Equity Investment Fund Partnership (Limited Partnership)	29,015	-	-	-	-	-	-	-	29,015	-
Yantai Jinghai Ocean Fishery Co., Ltd.	280,338	-	1,459	-	-	-	-	-	281,797	-
Shenzhen Tianyi Changmao Investment Partnership (Limited Partnership)	1,012	-	-	-	-	-	-	-	1,012	-
Gongoingcheng CIMC Water Investment Environmental Protection Industry Investment Partnership	69,944	-	-	-	-	-	-	-	69,944	-
Angang CIMC (Yingkou) New Energy Technology Co., Ltd.	100,015	-	(320)	-	-	-	-	-	99,695	-
Shenzhen Aerospace Smart City System Technology Co., Ltd.	88,249	-	(6,161)	-	-	-	-	-	82,088	-
GoldSwan Autoparts Manufacture Co., Ltd.	41,564	-	4,709	-	-	-	-	(2,280)	43,993	-
Xiamen CIMC Haitou Container Service Co., Ltd.	21,720	-	2,510	-	-	-	-	-	24,230	-
Dalian Jilong Logistics Co., Ltd.	20,740	-	-	-	-	-	-	-	20,740	(20,740)
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	1,494	-	270	-	-	-	-	-	1,764	-
Dafei Lutong (Tianjin) Logistics Co., Ltd.	18,477	-	5,886	-	-	-	-	-	24,363	-
Ant Supply Chain (Shanghai) Co., Ltd.	7,119	1,935	(1,209)	-	-	-	-	-	7,845	-
	790,101	(10,565)	4,309	-	-	-	-	(2,280)	781,565	(20,740)

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

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16. Long-term equity investments (Continued)

##### (2) Associates

	31 December 2023	Movements for the period						30 June 2024	Ending balance of impairment provision
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends	Provision for impairment	Other changes		
Xinyang Wood Hong Kong Co., Ltd.	5,025	-	-	-	-	-	156	5,181	-
'K' Line Zhenhua Logistics (Tianjin) Co., Ltd.	17,845	-	(2)	-	-	-	-	17,843	-
Shenzhen CIMC Industrial City Development Group Co., Ltd. (i)	6,587,865	-	(4,279)	-	-	-	-	6,583,586	-
Ocean En-Tech	51,719	-	-	-	-	-	976	52,695	-
Marine Subsea & Consafe Limited	2	-	-	-	-	-	-	2	(2)
LiHua Gas storage and Transportation Co., Ltd.	111,415	-	-	-	-	-	-	111,415	(111,415)
Qingdao Port International Trade and Logistics Co., Ltd.	73,239	-	7,697	-	-	-	-	80,936	-
Jiahua Shipping Co., Ltd.	84,213	-	-	-	-	-	2,177	86,390	(58,932)
Chifeng Lvlianyuan Farm Co., Ltd.	7,427	-	(120)	-	-	-	-	7,307	(355)
North Sea Rigs AS	1,445	-	-	-	-	-	138	1,583	-
Beijing Boxcool Exhibition Co., Ltd.	13,027	-	-	-	-	-	-	13,027	(6,169)
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	1,576	-	19	-	-	-	-	1,595	(910)
Fujian Qingchen Bamboo Industry Co., Ltd. ("Qingchen Bamboo Industry")	4,730	-	-	-	-	-	-	4,730	-
Mori (Shanghai) International Trade Co., Ltd.	753	-	(201)	-	-	-	-	552	-
Hengqin CIMC Ruidexin Innovative Venture Capital Fund, LP.	23,852	-	-	-	-	-	-	23,852	-
Qingdao Port International Trade Logistics Ltd.	12,837	-	2,646	-	(3,848)	-	-	11,635	-
OOS International Holding ("OOS International")	3,778	-	-	-	-	-	3	3,781	-
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	25,613	-	3,991	-	-	-	-	29,604	-
Nantong CIMC Yike New Material Development Co., Ltd. ("Yike New Material")	15,132	-	-	-	-	-	-	15,132	-
CIMC Dongshan (Shanghai) Shipping Co., Ltd.	14,918	-	-	-	-	-	-	14,918	(12,589)
Tianjin Binhai COSCO Container Logistics Co., Ltd.	29,752	-	216	-	(282)	-	-	29,686	-
Guizhou Yinke Environmental Resources Co., Ltd.	18,726	(18,314)	(412)	-	-	-	-	-	-
Yichuan Tianyun Clean Energy Co., Ltd.	77,384	-	7,058	-	-	-	-	84,442	-
Ningbo Beilun Donghua Container Service Co., Ltd.	5,105	-	290	-	(919)	-	-	4,476	-

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16. Long-term equity investments (Continued)

##### (2) Associates (Continued)

	31 December 2023	Movements for the period						30 June 2024	Ending balance of impairment provision
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends	Provision for impairment	Other changes		
Shenzhen Zhongjian Industry-University- Research Technology Co., Ltd.	86	-	35	-	-	-	-	121	-
Chongqing Changzu Feiyue Technology	4,137	-	429	-	-	-	-	4,566	-
Qingdao Sencott Intelligent Instrument Co., Ltd.	15,437	-	(61)	-	-	-	-	15,376	-
Xuzhou Lugang Shilianda Logistics Development Co., Ltd.	6,880	550	20	-	-	-	-	7,450	-
Hongjing Zhiye (Beijing) Multimodal Transport Consulting Co., Ltd.	2,741	-	-	-	-	-	-	2,741	-
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	5,383	-	-	-	-	-	-	5,383	-
Xinyu Tiangao Investment Management Partnership (Limited Partnership)	919	(500)	-	-	(22)	-	-	397	-
Zhongshiyun (Beijing) Investment Co., Ltd.	103,048	-	13,091	-	(8,744)	-	-	107,395	-
HuaSu Airport Air Service (Guangzhou) Co., Ltd.	4,682	-	492	-	-	-	-	5,174	-
ADS SUPPLY CHAZN (THAILAND) CO. LTD	2,235	-	157	-	-	-	72	2,464	-
Shanghai Hongji International Logistics Development Ltd.	2,663	-	702	-	-	-	-	3,365	-
Shenzhen Bay Angel Phase III Venture Capital Partnership (Limited Partnership)	81,809	-	(5,110)	-	-	-	-	76,699	-
Yantai UTEX Fishery Equipment Co., Ltd.	10,772	-	1,115	-	-	-	-	11,887	-
Shanghai Anji Marine Technology Co., Ltd.	423	-	-	-	-	-	-	423	-
ANDASHUN AMAZING LOGISTICS (VIETNAM) CO. LTD.	9,406	-	1	-	-	-	218	9,625	-
Guoke Yunji Chanrong Development (Shenzhen) Co., Ltd.	17,463	-	-	-	-	-	-	17,463	-
Shandong CIMC Green New Material Co., Ltd.	3,034	-	-	-	-	-	-	3,034	-
Dali Bohai Precious Metal Technology Co., Ltd.	6,000	-	(4,044)	-	-	-	-	1,956	-
Dongguan Ruizhutanxia Investment Co., Ltd.	5,136	-	-	-	-	-	-	5,136	-
Shenzhen CIMC Hongyuan Advanced Intelligent Manufacture Private Equity Investment Fund Partnership (Limited Partnership)	29,625	-	-	-	-	-	-	29,625	-
China Marine Engineering Equipment Technology Development Co., Ltd. (ii)	171,764	-	(10,986)	-	-	-	-	160,778	-

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16. Long-term equity investments (Continued)

##### (2) Associates (Continued)

	31 December 2023	Movements for the period						30 June 2024	Ending balance of impairment provision
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends	Provision for impairment	Other changes		
Yantai Guma New Material Co., Ltd.	640	-	-	-	-	-	-	640	-
CIMC-Hexagon Hydrogen Technology Co., Ltd.	84,037	36,575	(5,184)	-	-	-	-	115,428	-
CIMC CAPITAL Ltd.	2,101,839	-	131,693	42,543	-	-	9,292	2,285,367	-
CIMC Xinde Leasing (Shenzhen) Co., Ltd.	412,660	-	30,154	2,910	-	-	-	445,724	-
Zhejiang Tengjinghui New Materials Co., Ltd.	6,965	-	-	-	-	-	-	6,965	-
Stromtangveien 38 AS	2,611	-	-	-	-	-	(60)	2,551	-
C&C Trucks Co., Ltd. ("C&C Trucks")	750,363	-	(50,288)	-	-	-	-	700,075	-
Guizhou Shuigang New Energy Co., Ltd.	250,000	-	234	-	-	-	-	250,234	-
Shandong Xinneng Shipbuilding Co., Ltd.	90,134	-	(229)	-	-	-	-	89,905	-
CIMC Runqing Shipping (Zhaoqing) Co., Ltd.	35,268	-	(646)	-	-	-	-	34,622	-
Luoyang CIMC Hongyuan Longchuang Technology Venture Capital Fund Partnership (Limited Partnership)	14,891	-	-	-	-	-	-	14,891	-
Aigulu (Shanghai) Intelligent Technology Co., Ltd.	10,022	-	(739)	-	-	-	-	9,283	-
Shenzhen Shenzhen-Shantou Special Cooperation Zone Zhichuang CIMC Hongyuan Private Equity Investment Fund Partnership (Limited partnership)	-	63,000	-	-	-	-	-	63,000	-
Mortiseon Wisdom Technology Co., LTD	-	5,000	(841)	-	-	-	-	4,159	-
Hainan Haiken Cold Chain Development Co., LTD	-	19,600	-	-	-	-	-	19,600	-
Hebei Luan Hydrogen Energy Technology Co., LTD	-	2,800	-	-	-	-	-	2,800	-
	11,430,451	108,711	116,898	45,453	(13,815)	-	12,972	11,700,670	(190,372)

- (i) The Group's investment in CIMC Industry & City includes directly holding 45.92% of the equity in CIMC Industry & City and indirect holding of 34.44% – 62.14% of the equity of CIMC Industry & City subsidiary project company.
- (ii) On 27 August 2021, CIMC Offshore Holding, a subsidiary of the Company, as the main investor, participated in the establishment of China Marine Engineering Equipment Technology Development Co., Ltd., and agreed to contribute a registered capital of RMB1,800,000,000 with the initial capital contribution of RMB180,000,000 in place during the middle February 2022, and the remaining registered capital will be paid in full within 30 years from the date of issuing the business license.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16. Long-term equity investments (Continued)

##### (3) Impairment provision of long-term equity investments

	31 December 2023	Increase (decrease)/ in current period	Translation difference of foreign currency statements	30 June 2024
Dalian Jilong Logistics Co., Ltd.	20,740	–	–	20,740
Marine Subsea & Consafe Limited	2	–	–	2
LiHua Gas storage and Transportation Co., Ltd.	111,415	–	–	111,415
Jiahua Shipping Co., Ltd.	57,940	–	992	58,932
Chifeng Lvtianyuan Farm Co., Ltd.	355	–	–	355
Beijing Boxcool Exhibition Co., Ltd.	6,169	–	–	6,169
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	910	–	–	910
CIMC Donghan (Shanghai) Shipping Co., Ltd.	12,589	–	–	12,589
Guizhou Yinke Environmental Resources Co., Ltd.	13,576	(13,576)	–	–
	223,696	(13,576)	992	211,112



## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 17. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
31 December 2023	1,173,551	196,442	1,369,993
Changes in fair value	(1,702)	–	(1,702)
Transferred from construction in progress	138	–	138
Transfer to fixed assets	(2,866)	–	(2,866)
Other decreases	(279)	–	(279)
Translation difference of foreign currency statements	(3,910)	–	(3,910)
30 June 2024	<b>1,164,932</b>	<b>196,442</b>	<b>1,361,374</b>

- (i) For the period from 1 January to 30 June 2024 and 2023, the Group did not dispose any investment properties.

For the period from 1 January to 30 June 2024 and 2023, no capitalisation was included in the borrowing costs of investment properties.

For the period from 1 January to 30 June 2024, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was RMB1,702,000 (For the period from 1 January to 30 June 2023: profit RMB775,000).

As at 30 June 2024, the buildings and land use rights with carrying amount of about RMB213,418,000 (31 December 2023:RMB191,576,000) had not been entitled the property ownership certificates due to unfinished entitling procedures.

#### 18. Fixed assets

	30 June 2024	31 December 2023
Fixed assets (a)	40,602,631	40,311,645
Disposals of fixed assets (b)	37,709	43,171
	<b>40,640,340</b>	<b>40,354,816</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 18. Fixed assets (Continued)

##### (a) Fixed assets

	Buildings		Machinery and equipment		Office and 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 2023	14,111,891	217,816	15,623,458	290,022	1,976,607	795,823	1,307,896	182,138	31,686,591	1,389,755	67,581,997
Increase in current period											
Additions	110,435	-	190,613	47,137	123,557	-	14,427	44,036	4,695	649	535,549
Transferred from construction in progress	546,628	1,590	214,273	-	29,484	-	4,866	-	-	858	797,699
Investment property transferred for own use	2,866	-	-	-	-	-	-	-	-	-	2,866
Decrease in current period											
Disposals or scrapping	(24,370)	(3,597)	(119,846)	(538)	(106,165)	(1,855)	(22,186)	(16,040)	-	-	(294,597)
(Decrease)/Increase in internal reclassification of fixed assets	1,858	-	64,204	-	(72,573)	-	6,511	-	-	-	-
Translation difference of foreign currency statements	13,563	-	10,947	-	2,393	-	(1,363)	-	703,324	285	729,149
30 June 2024	14,762,871	215,809	15,983,649	336,621	1,953,303	793,968	1,310,151	210,134	32,394,610	1,391,547	69,352,663
Accumulated depreciation											
31 December 2023	4,348,621	46,449	6,793,967	45,725	1,203,052	321,502	693,633	176,182	4,144,160	445,529	18,218,820
Depreciation recognised in current period	247,736	3,320	475,699	14,040	127,764	5,839	50,655	42,894	396,026	14,411	1,378,384
Decrease in current period											
Disposals or scrapping	(6,371)	-	(77,304)	-	(87,857)	(1,502)	(15,308)	(11,799)	-	-	(200,141)
(Decrease)/Increase in internal reclassification of fixed assets	-	-	39,071	-	(42,084)	-	3,013	-	-	-	-
Translation difference of foreign currency statements	890	-	47,320	-	1,965	-	(1,989)	-	103,054	176	151,416
30 June 2024	4,590,876	49,769	7,278,753	59,765	1,202,840	325,839	730,004	207,277	4,643,240	460,116	19,548,479
Impairment provision											
31 December 2023	230,925	-	35,329	-	34,965	-	914	-	8,749,399	-	9,051,532
Disposals or scrapping	-	-	(1,426)	-	(109)	-	-	-	-	-	(1,535)
Translation difference of foreign currency statements	-	-	25	-	202	-	-	-	151,329	-	151,556
30 June 2024	230,925	-	33,928	-	35,058	-	914	-	8,900,728	-	9,201,553
Carrying amount											
30 June 2024	9,941,070	166,040	8,670,968	276,856	715,405	468,129	577,997	2,857	18,850,642	931,431	40,602,631
31 December 2023	9,532,345	171,367	8,794,162	244,297	738,590	474,321	613,349	5,956	18,793,032	944,226	40,311,645

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 18. Fixed assets (Continued)

##### (a) Fixed assets (Continued)

For the period from 1 January to 30 June 2024, depreciation of fixed assets recognised amounted to RMB1,378,384,000 (For the period from 1 January to 30 June 2023: RMB1,574,271,000), of which RMB1,207,237,000, RMB10,569,000, RMB134,634,000 and RMB25,944,000 (For the period from 1 January to 30 June 2023: RMB1,401,992,000, RMB29,904,000, RMB114,220,000 and RMB28,155,000) had been charged in cost of sales, selling and distribution expenses, general and administrative expenses, and research and development expenses, respectively.

For the period from 1 January to 30 June 2024, the original cost of fixed assets transferred from construction in progress was RMB797,699,000.

The Group's fixed assets and construction in progress with an indication of impairment mainly arose from offshore engineering equipment. Each offshore engineering equipment was tested for impairment as an individual asset group. The management mainly considers leasing it to oil companies for oil exploration and other activities to determine the recoverable amount. After comparing the recoverable amount and carrying amount of offshore engineering equipment, no provision for impairment is made in current year.

For assets related to offshore engineering, the Group determines the revenue growth rate and gross profit margin based on the rental of similar platforms in the open market and the CIMC Group, market demand, utilisation rate and maintenance cost rate, historical peak and low rental. The discount rate refers to the pre-tax discount rate that reflects the specific risk of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 18. Fixed assets (Continued)

##### (a) Fixed assets (Continued)

###### (1) Temporarily idle fixed assets

As at 30 June 2024, the carrying amount of temporarily idle fixed assets amounted to approximately RMB95,786,000 (original cost of RMB179,718,000) (31 December 2023: carrying amount of approximately RMB23,525,000 and original cost of RMB47,282,000). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provision	Carrying amount
Buildings	156,015	64,863	–	91,152
Machinery and equipment	15,620	13,913	157	1,550
Motor vehicles	86	77	–	9
Office and other equipment	7,997	4,868	54	3,075
	179,718	83,721	211	95,786

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

	Carrying amount	Reason for pending
Factory	988,359	Have not met the conditions of certificate; Put to use, certificate being in the progress
Workshop	498,628	Have not met the conditions of certificate; Put to use, certificate being in the progress
Office building	71,011	Put to use, certificate being in the progress
Dormitory and canteen	56,953	Put to use, certificate being in the progress
Warehouse	37,643	Put to use, certificate being in the progress
Others	18,516	Put to use, certificate being in the progress
	1,671,110	

(3) The buildings, machinery and equipment, office and other equipment, and motor vehicles signed by the Group as the lessor have no residual value guarantee clauses.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 18. Fixed assets (Continued)

##### (b) Disposals of fixed assets

	30 June 2024	31 December 2023
Buildings	135	–
Machinery and equipment	36,758	41,243
Motor vehicles	133	425
Office and other equipment	683	1,503
	<b>37,709</b>	<b>43,171</b>

#### 19. Construction in progress

##### (1) Construction in progress

	30 June 2024			31 December 2023		
	Original amount	Impairment provision	Carrying amount	Original amount	Impairment provision	Carrying amount
Ultra deep water drilling platform project	4,306,236	(1,614,938)	2,691,298	4,203,426	(1,576,382)	2,627,044
Enric low temperature plant renovation project	462,564	(42,122)	420,442	500,844	(42,122)	458,722
Construction project of Nantong Union new energy integration equipment	115,008	–	115,008	148,625	–	148,625
Dongguan southern CIMC Fenggang phase 2 project	55,322	–	55,322	34,983	–	34,983
Ningbo CIMC Longteng Twin Star Project	775	–	775	17,468	–	17,468
CIMCNB water-based paint coating line reconstruction and waste treatment project	–	–	–	11,852	–	11,852
Yangzhou CIMC new intelligent factory construction project	8,324	–	8,324	432	–	432
Others	1,646,756	–	1,646,756	1,184,780	–	1,184,780
	<b>6,594,985</b>	<b>(1,657,060)</b>	<b>4,937,925</b>	<b>6,102,410</b>	<b>(1,618,504)</b>	<b>4,483,906</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 19. Construction in progress (Continued)

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

	Budget amount	31 December 2023	Increase in current period	Transfer to fixed assets in current period	Other decreases in current period (i)	Translation difference of foreign currency statements	30 June 2024	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: Capitalised interest in current period	Current period capitalised interest ratio	Source of funds
Ultra deep water drilling platform project	4,349,734	4,203,426	-	-	-	102,810	4,306,236	99%	99%	491,077	-	-	Self-funding & bank loan
Enric low temperature plant renovation project	728,081	500,844	332,584	(333,757)	(37,107)	-	462,564	64%	64%	7,275	-	-	Self-funding & bank loan
Construction project of Nantong Union new energy integration equipment	576,000	148,625	101,828	(135,445)	-	-	115,008	43%	43%	-	-	-	Self-funding
Dongguan southern CIMC Fenggang phase 2 project	722,523	34,983	36,230	(15,782)	(109)	-	55,322	92%	92%	-	-	-	Self-funding
Ningbo CIMC Longteng Twin Star Project	680,000	17,468	301	(559)	(16,435)	-	775	91%	91%	-	-	-	Self-funding
CIMCNB water-based paint coating line reconstruction and waste treatment project	365,460	11,852	823	(12,675)	-	-	-	100%	100%	-	-	-	Self-funding
Yangzhou CIMC new intelligent factory construction project	330,000	432	7,892	-	-	-	8,324	62%	62%	-	-	-	Self-funding
Others	5,128,520	1,184,780	886,578	(299,481)	(132,575)	7,454	1,646,756	32%	32%	5,781	2,095	3.75%	Self-funding & bank loan
	12,880,318	6,102,410	1,366,236	(797,699)	(186,226)	110,264	6,594,985			504,133	2,095		

- (i) For other decreases in construction in progress during the period, RMB43,576,000 was transferred to intangible assets and RMB138,000 was transferred to investment properties.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 19. Construction in progress (Continued)

##### (3) Impairment provision of construction in progress

	Impairment provision of construction in progress					Translation difference of foreign currency statements	30 June 2024
	31 December 2023	Increase in current period	Transfer to fixed assets in current period	Decrease in current period			
Ultra deep water drilling platform project	1,576,382	-	-	-	38,556	1,614,938	
Enric low temperature plant renovation project	42,122	-	-	-	-	42,122	
	1,618,504	-	-	-	38,556	1,657,060	

As at 30 June 2024, the Group mainly performed impairment testing for ultra deep water drilling platform, the key parameters of which are detailed in Note IV.18.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 20. Intangible assets and development expenditures

##### (1) Intangible assets

	Land use rights	Technical know-how, trademarks and software	Timber concession rights	Customer relationships	Customer contracts	Sea area use rights	Franchise rights	Total
Original cost								
31 December 2023	6,001,015	2,398,304	137,104	257,964	348,800	110,451	142,446	9,396,084
Business combination	-	-	-	-	-	-	-	-
Additions	594	17,181	-	-	-	-	-	17,775
Transferred from								
construction in progress	32,847	10,729	-	-	-	-	-	43,576
Transferred from								
investment properties	-	-	-	-	-	-	-	-
Other Increases	-	32,262	-	20,000	-	-	-	52,262
Disposals of subsidiaries	-	-	-	-	-	-	-	-
Transferred from								
investment properties in current period	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Translation difference of foreign currency statements	(4,662)	(7,396)	-	(3,803)	(5,276)	(1,626)	(1,991)	(24,754)
<b>30 June 2024</b>	<b>6,029,794</b>	<b>2,451,080</b>	<b>137,104</b>	<b>274,161</b>	<b>343,524</b>	<b>108,825</b>	<b>140,455</b>	<b>9,484,943</b>
Accumulated amortisation								
31 December 2023	1,213,084	1,485,291	32,730	180,803	296,536	41,213	37,775	3,287,432
Depreciation recognised in current period	69,252	53,397	-	-	-	914	233	123,796
Classified as held for sale	-	-	-	-	-	-	-	-
Disposals of subsidiaries	-	-	-	-	-	-	-	-
Other decreases	(298)	(1,042)	-	-	-	-	-	(1,340)
Translation difference of foreign currency statements	(1,128)	(5,186)	-	(3,146)	(5,276)	(868)	(1,991)	(17,595)
<b>30 June 2024</b>	<b>1,280,910</b>	<b>1,532,460</b>	<b>32,730</b>	<b>177,657</b>	<b>291,260</b>	<b>41,259</b>	<b>36,017</b>	<b>3,392,293</b>
Impairment provision								
31 December 2023	-	35,380	104,374	37,987	52,264	-	4,685	234,690
Translation difference of foreign currency statements	-	(1,739)	-	(1,167)	-	-	-	(2,906)
<b>30 June 2024</b>	<b>-</b>	<b>33,641</b>	<b>104,374</b>	<b>36,820</b>	<b>52,264</b>	<b>-</b>	<b>4,685</b>	<b>231,784</b>
Carrying amount								
30 June 2024	4,748,884	884,979	-	59,684	-	67,566	99,753	5,860,866
31 December 2023	4,787,931	877,633	-	39,174	-	69,238	99,986	5,873,962

For the period from 1 January to 30 June 2024, amortisation expenses of intangible assets amounted to RMB123,796,000 (For the period from 1 January to 30 June 2023: RMB153,437,000).



## 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)

#### 20. Intangible assets and development expenditures (Continued)

- (2) As at 30 June 2024, the land use rights with a carrying amount of RMB1,429,577,000 (original price of RMB1,483,030,000) (31 December 2023: carrying amount of RMB1,453,679,000, original price of RMB1,483,030,000) had not been obtained.
- (3) As at 30 June 2024, the net intangible asset with indefinite useful lives was mainly gas station franchise and a trademark right, which amounted to RMB206,730,000 (31 December 2023: RMB209,829,000).
- (4) As at 30 June 2024, the carrying amount of intangible assets with limited ownership amounted to RMB35,271,000 with the details in Note IV.27 (31 December 2023: RMB34,730,000).
- (5) **Research and development expenses**

For the period from 1 January to 30 June 2024, the Group's total expenditures on research and development activities are presented by nature as follows:

	For the period from 1 January to 30 June 2024		
	Research and development expenses	Development expenditures	Total
Direct material consumption	394,659	930	395,589
Research and development labour costs	526,118	1,216	527,334
Depreciation and amortisation	33,836	–	33,836
Testing fee	76,149	–	76,149
Design fee	21,641	3,429	25,070
Others	73,492	–	73,492
	1,125,895	5,575	1,131,470

- (a) For the period from 1 January to 30 June 2024, the changes in the Group's development expenditures eligible for capitalisation are analysed as follows:

	31 December 2023	Increase in current period	Transfer to intangible assets in current period	30 June 2024
Project on energy and chemical technology	5,867	1,150	–	7,017
Project on unit load technology	–	3,429	–	3,429
Others	12,343	996	–	13,339
	18,210	5,575	–	23,785

For the period from 1 January to 30 June 2024, there was no impairment of the Group's development expenditures (For the period from 1 January to 30 June 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 21. Right-of-use assets

	Buildings	Land use rights	Offshore engineering equipment	Machinery and equipment	Motor vehicles	Office and other equipment	Total
Original cost							
31 December 2023	1,078,626	462,130	131,915	225,921	4,026	28,328	1,930,946
Additions from lease contract	155,879	57,881	–	13,657	14,971	13,582	255,970
Decrease in current period							
Lease changes	(8,394)	(717)	–	(2,809)	(1,228)	–	(13,148)
Other decreases	(47,640)	(5,403)	(55,685)	(1,534)	(775)	(4,935)	(115,972)
Translation difference of foreign currency statements	5,531	16,271	25,417	2,463	656	395	50,733
<b>30 June 2024</b>	<b>1,184,002</b>	<b>530,162</b>	<b>101,647</b>	<b>237,698</b>	<b>17,650</b>	<b>37,370</b>	<b>2,108,529</b>
Accumulated depreciation							
31 December 2023	430,037	187,589	80,745	129,530	1,624	10,471	839,996
Depreciation recognised in current period	138,225	30,055	706	16,787	6,455	9,114	201,342
Decrease in current period							
Lease changes	(1,218)	–	–	(349)	(788)	–	(2,355)
Other decreases	(32,282)	(1,462)	(51,838)	(1,840)	(243)	(4,760)	(92,425)
Translation difference of foreign currency statements	510	2,479	25,417	6,328	312	349	35,395
<b>30 June 2024</b>	<b>535,272</b>	<b>218,661</b>	<b>55,030</b>	<b>150,456</b>	<b>7,360</b>	<b>15,174</b>	<b>981,953</b>
Carrying amount							
30 June 2024	648,730	311,501	46,617	87,242	10,290	22,196	1,126,576
31 December 2023	648,589	274,541	51,170	96,391	2,402	17,857	1,090,950

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 22. Goodwill

	31 December 2023	Increase in current period	Decrease in current period	Translation difference of foreign currency statements	30 June 2024
Enric	635,513	–	–	–	<b>635,513</b>
Vehicles UK	350,306	–	–	5,482	<b>355,788</b>
TGE SA	177,382	–	–	–	<b>177,382</b>
Bassoe	125,806	–	–	–	<b>125,806</b>
Hubei CIMC Chaoxian Technology Co., Ltd.	–	106,312	–	–	<b>106,312</b>
CIMC Wetrans Zelian International Logistics (Hong Kong) Co. Ltd. and CIMC Wetrans Zelian International Logistics (Shanghai) Co., Ltd.	221,250	–	–	–	<b>221,250</b>
Others	1,688,372	400	–	2,456	<b>1,691,228</b>
<b>Sub-total</b>	<b>3,198,629</b>	<b>106,712</b>	<b>–</b>	<b>7,938</b>	<b>3,313,279</b>
Less: Impairment provision					
Bassoe	125,806	–	–	–	<b>125,806</b>
TGE SA	54,806	–	–	–	<b>54,806</b>
Others	364,124	9,832	–	371	<b>374,327</b>
<b>Sub-total</b>	<b>544,736</b>	<b>9,832</b>	<b>–</b>	<b>371</b>	<b>554,939</b>
<b>Net book value</b>	<b>2,653,893</b>	<b>96,880</b>	<b>–</b>	<b>7,567</b>	<b>2,758,340</b>

The increase in goodwill in current period was mainly attributable to the acquisition of 100% equity in Hubei CIMC Chaoxian Technology Co., Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### 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 2024. According to the Segment Reporting (Note XV), the allocation is summarised as follows:

	30 June 2024	31 December 2023
Energy, chemical and liquid food equipment asset group	1,091,409	1,089,507
Logistics services asset group	498,106	498,106
Road transportation vehicles asset group	433,634	425,590
Airport facilities and logistics equipment, fire safety and rescue equipment asset group	250,412	260,244
Containers manufacturing asset group	273,590	167,278
Unit load business asset group	63,359	63,359
Asset groups with insignificant allocation percentage of goodwill	147,830	149,809
	<b>2,758,340</b>	<b>2,653,893</b>

When doing goodwill impairment test, the Group compares the carrying amount of the relevant asset or combination of asset groups (including goodwill) with its recoverable amount. If the recoverable amount was less than the carrying amount, the related difference was recognised in current profit or loss (Note IV.61).

The Group determines the growth rate and gross profit margin according to the historical experience and the forecast of market development. The growth rate in the forecast period is based on the five-year budget approved by the management. The growth rate in the stable period is the one that adopted after the forecast period, which is consistent with the forecast data in the industry report and does not exceed the long-term average growth rate of each product. The Group adopts the pre-tax interest rate as the discount rate, which can reflect the specific risk of the relevant asset group and combination of asset groups.

Enric, a subsidiary of the Group, is a listed company on the stock exchange of Hong Kong. According to the number of Enric shares held by the Group and its market price as at 30 June 2024, the Group determined the recoverable amount of Enric's combination of asset groups (including goodwill). The carrying amount of the combination of asset groups (including goodwill) is calculated to be less than the recoverable amount, and there is no need to calculate the impairment (31 December 2023: no need to calculate the impairment).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 23. Long-term prepaid expenses

	31 December 2023	Increase in current period	Current period amortisation	Disposals of subsidiaries	Translation difference of foreign currency statements	30 June 2024
Yard facility expenses	43,181	1,440	(5,053)	–	(847)	38,721
Project insurance and commission	28,805	–	–	–	–	28,805
Drilling platform mobilisation fee (i)	98,648	–	(47,575)	–	2,413	53,486
Improvements to right-of-use assets	100,910	7,293	(4,481)	–	(8,004)	95,718
Improvement expenses of engineering vessels (ii)	403,525	104,225	(126,068)	–	12,859	394,541
Others	191,237	18,058	(16,948)	–	(10,874)	181,473
	866,306	131,016	(200,125)	–	(4,453)	792,744

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

(ii) The improvement expenses of engineering vessels refer to the expenses for adaptability improvement of the platform and special inspection fee for hull.

(1) Adaptability improvement refers to the renovation expenses of the platform incurred when there are changes in operating sea area or the operating requirements.

(2) The special inspection fee for hull refers to the expenses incurred by offshore mobile platforms to perform the corresponding inspection on a regular basis in accordance with the Ship Technical Regulations of the People's Republic of China and the regulations of offshore mobile platforms, and to obtain a Certificate of Classification from the relevant inspection agency with a maximum validity period of 5 years.

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 24. Deferred tax assets and deferred tax liabilities

##### (1) The pre-offsetting balances of deferred tax assets

	30 June 2024		31 December 2023	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Deferred tax assets:				
Provision for asset impairment	1,315,164	293,441	1,189,164	265,328
Provisions	857,393	161,728	916,605	174,072
Employee benefits payable	1,703,921	360,363	1,703,077	360,185
Accrued expenses	973,696	195,310	1,140,236	245,609
Deductible losses	4,553,490	854,118	4,714,364	884,294
Fair value changes of derivative financial assets	60,543	13,905	109,596	20,599
Intra-group unrealised revenue	158,881	39,515	139,931	36,661
Lease liabilities	789,232	183,897	806,263	187,865
Others	184,661	32,121	546,507	95,062
Sub-total	10,596,982	2,134,399	11,265,743	2,269,675
Including:				
Amount expected to be reversed within 1 year (inclusive)		374,269		626,393
Amount expected to be reversed over 1 year		1,760,130		1,643,282
		2,134,399		2,269,675

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

##### (2) The pre-offsetting balances of deferred tax liabilities

	30 June 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities:				
Fair value changes of derivative financial assets	(25,979)	(6,349)	(290,103)	(52,211)
Fair value changes of investment properties	(577,377)	(154,468)	(594,377)	(159,016)
Revaluation gain through combination	(451,746)	(86,942)	(463,617)	(89,227)
Gross profit of overseas projects (pay tax after completion)	(482,448)	(120,612)	(1,126,656)	(281,664)
Accelerated depreciation of long-term assets	(1,874,747)	(469,053)	(2,424,208)	(515,958)
Right-of-use assets	(841,947)	(196,172)	(806,321)	(187,871)
Others	(331,832)	(65,733)	(182,879)	(36,227)
Sub-total	(4,586,076)	(1,099,329)	(5,888,161)	(1,322,174)
Including:				
Amount expected to be reversed within 1 year (inclusive)		(160,817)		(52,211)
Amount expected to be reversed over 1 year		(938,512)		(1,269,963)
		(1,099,329)		(1,322,174)

##### (3) Unrecognised deferred tax assets:

	30 June 2024	31 December 2023
Deductible losses	4,002,270	3,799,180
Deductible temporary differences	42,075	244,017
	4,044,345	4,043,197

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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 recognised as deferred tax assets:

	30 June 2024	31 December 2023	Note
2024	147,732	157,298	
2025	65,675	93,046	
2026	128,312	171,950	Note 1
2027	283,517	291,975	
After 2028	19,023,674	14,932,371	
	<b>19,648,910</b>	<b>15,646,640</b>	

Note 1: As at 30 June 2024, unrecognised deferred tax assets aged over 5 years (inclusive) arising from deductible tax losses mainly resulted from foreign subsidiaries' operating losses. Deductible tax losses generated from Hong Kong, the United States of America, the United Kingdom of Great Britain, Germany and Belgium can be offset with future profit indefinitely; deductible tax losses generated from the Netherlands can be offset in the subsequent six years.

#### (5) Taxable temporary differences for unrecognised deferred tax liabilities

As at 30 June 2024, for the possible tax impact of the accumulated retained earnings of its subsidiaries in Hong Kong and other overseas subsidiaries, the Group did not recognise the taxable temporary difference of RMB3,708,232,000 (31 December 2023: RMB4,618,275,000) as deferred tax liabilities, since the Group was able to determine its dividend distribution policy on its own initiative and had no plan for dividend distribution in the foreseeable future and also had no intention to dispose of such subsidiaries.

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

	30 June 2024		31 December 2023	
	Offsetting amount	Offsetting balances	Offsetting amount	Offsetting balances
Deferred tax assets	(465,458)	1,668,941	(755,019)	1,514,656
Deferred tax liabilities	465,458	(633,871)	755,019	(567,155)

#### 25. Other non-current assets

	30 June 2024	31 December 2023
Prepayments for equipment	297,412	323,868
Prepayments for land use rights	–	23,210
Prepayments for construction	4,966	21,332
Others	67,071	54,647
	<b>369,449</b>	<b>423,057</b>



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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 26. Provision for asset impairment and losses

	31 December 2023	Increase in current period	Decrease in current year				Translation difference of foreign currency statements	30 June 2024
			Reversal	Charge-off/ Write-off	Transferred from fixed assets/ (transferred to construction in progress)	Disposal		
Provision for bad debts of notes receivables	2,705	1,577	(1,132)	-	-	-	478	3,628
Provision for bad debts of receivables financing	724	123	(296)	-	-	-	173	724
Provision for bad debts of account receivables	1,171,515	124,503	(70,690)	(4,315)	-	-	(622)	1,220,391
Provision for bad debts of other receivables	295,383	44,719	(46,319)	-	-	-	302	294,085
Provision for bad debts of long-term receivables and current portion of non-current assets	4,825	2,728	(67)	-	-	-	10	7,496
<b>Sub-total</b>	<b>1,475,152</b>	<b>173,650</b>	<b>(118,504)</b>	<b>(4,315)</b>	<b>-</b>	<b>-</b>	<b>341</b>	<b>1,526,324</b>
Provision for bad debts of advance to suppliers	206,508	-	-	(3)	-	-	(451)	206,054
Provision for decline in the value of inventories and impairment of contract performance costs	1,027,846	45,517	(42,051)	(8,440)	-	-	19,787	1,042,659
Impairment provision for contract assets	83,802	13,516	(842)	-	-	-	2,944	99,420
Impairment provision for long-term equity investments	223,696	-	-	-	-	(13,576)	992	211,112
Impairment provision for fixed asset	9,051,532	-	-	(1,535)	-	-	151,556	9,201,553
Impairment provision for construction in progress	1,618,504	-	-	-	-	-	38,556	1,657,060
Impairment provision for intangible assets	234,690	-	-	-	-	-	(2,906)	231,784
Impairment provision for goodwill	544,736	9,832	-	-	-	-	371	554,939
Impairment provision for of assets held for sale	133,037	-	-	-	-	-	3,254	136,291
<b>Sub-total</b>	<b>13,124,351</b>	<b>68,865</b>	<b>(42,893)</b>	<b>(9,978)</b>	<b>-</b>	<b>(13,576)</b>	<b>214,103</b>	<b>13,340,872</b>
	<b>14,599,503</b>	<b>242,515</b>	<b>(161,397)</b>	<b>(14,293)</b>	<b>-</b>	<b>(13,576)</b>	<b>214,444</b>	<b>14,867,196</b>

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 2024, assets with restrictions in their ownerships are as follows:

	Note	Closing book value	Restricted reasons
Cash and cash equivalents	IV.1	1,519,694	Margin and statutory reserves deposited to the central bank
Intangible assets	IV.20	35,271	No transfer without permission from the government
Receivables financing	IV.6	2,770	Pledge
		1,557,735	

#### 28. Short-term borrowings

	Note	30 June 2024	31 December 2023
Guaranteed	(a)		
USD		5,026,240	4,953,305
RMB		1,967,136	2,471,498
EUR		–	–
HKD		1,138,950	1,539,837
Sub-total		8,132,326	8,964,640
Unsecured			
USD		1,404,269	420,947
EUR		104,885	164,563
GBP		–	20,330
RMB		5,057,161	2,710,511
HKD		931	–
Others		–	–
Sub-total		6,567,246	3,316,351
Discounted notes			
RMB		–	119,870
		14,699,572	12,400,861

(a) As at 30 June 2024, the guaranteed borrowings of RMB8,231,326,000 (31 December 2023: RMB8,964,640,000) was guaranteed by the Group internally.

(b) As at 30 June 2024, the interest rate of short-term borrowings ranged from 1.00% to 6.44% (31 December 2023: 1.20% to 7.20%).

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 29. Notes payables

	30 June 2024	31 December 2023
Bank acceptance notes	4,465,803	4,185,114
Trade acceptance notes	1,043,105	496,849
	<b>5,508,908</b>	<b>4,681,963</b>

As at 30 June 2024, the Group did not have due and unpaid notes payables (31 December 2023: Nil).

#### 30. Accounts payables

	30 June 2024	31 December 2023
Due to raw material suppliers	18,857,909	14,434,816
Integrated logistics charges	2,971,711	2,145,486
Equipment procurement charges	1,156,385	990,571
Project procurement charges	526,605	334,719
Transportation charges	928,213	826,524
Project contracts charges	285,046	617,911
Processing charges	527,908	243,731
Others	417,096	587,251
	<b>25,670,873</b>	<b>20,181,009</b>

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

	30 June 2024	31 December 2023
Within 1 year (inclusive)	23,905,742	18,769,669
1 to 2 years (inclusive)	716,386	798,220
2 to 3 years (inclusive)	588,656	215,474
Over 3 years	460,089	397,646
	<b>25,670,873</b>	<b>20,181,009</b>

As at 30 June 2024, accounts payables over 1 year with a carrying amount of RMB1,765,131,000 (31 December 2023: RMB1,411,340,000) were mainly payables related to offshore engineering business, and energy and chemicals business. Since the production cycle of the offshore engineering business, and energy and chemicals business was usually more than 1 year, the payables have not yet been settled.

#### 31. Advances from customers

	30 June 2024	31 December 2023
Rental advances	6,029	11,099

As at 30 June 2024, there is no advances from customers with an age of more than 1 year (31 December 2023: Nil).

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 32. Contract liabilities

	30 June 2024	31 December 2023
Advances for goods	8,722,778	6,857,534
Advances for construction	6,503,416	6,178,643
Advances for trade and logistics	39,703	16,848
	<b>15,265,897</b>	<b>13,053,025</b>

#### 33. Employee benefits payable

	Note	30 June 2024	31 December 2023
Short-term wages	(1)	5,248,944	5,250,730
Defined contribution plans	(2)	57,350	50,315
Termination benefits	(3)	7,789	13,882
		<b>5,314,083</b>	<b>5,314,927</b>

##### (1) Short-term wages

	31 December 2023	Increase in current period	Decrease in current period	Translation difference of foreign currency statements	30 June 2024
Wages or salaries, bonuses, allowances and subsidies	4,530,659	5,306,932	(5,321,825)	15,766	<b>4,531,532</b>
Profit-sharing and senior management bonus	472,874	-	(3,607)	-	<b>469,267</b>
Housing funds	7,630	214,681	(215,903)	532	<b>6,940</b>
Labour union funds and employee education funds	144,658	39,928	(35,580)	2,425	<b>151,431</b>
Social security contributions and others	22,875	187,647	(187,804)	213	<b>22,931</b>
Including: Medical insurance	14,898	163,021	(162,072)	9	<b>15,856</b>
Work injury insurance	6,987	18,215	(18,806)	204	<b>6,600</b>
Maternity insurance	990	6,410	(6,926)	-	<b>474</b>
Other short-term wages	72,034	237,973	(243,302)	138	<b>66,843</b>
	5,250,730	5,987,161	(6,008,021)	19,074	<b>5,248,944</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 33. Employee benefits payable (Continued)

##### (2) Defined contribution plans

	31 December 2023	Increase in current period	Decrease in current period	Translation difference of foreign currency statements	30 June 2024
Basic pensions	48,471	422,510	(416,149)	365	55,197
Unemployment insurance	1,716	14,366	(14,088)	2	1,996
Enterprise annuities	128	4,408	(4,381)	2	157
	50,315	441,284	(434,618)	369	57,350

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 labour and social security department. The payment cannot be used to offset the amount that the Group should deposit for employees in the future.

##### (3) Termination benefits payable

	30 June 2024	31 December 2023
Others (i)	7,789	13,882

(i) As at 30 June 2024, the Group provided other compensation amounting to RMB17,786,000 to compensate for the termination of employment relationship.

#### 34. Taxes payable

	30 June 2024	31 December 2023
Corporate income tax payable	725,910	532,325
VAT payable	277,512	309,046
Urban maintenance and construction tax payable	66,059	76,270
Educational surcharge payable	47,491	55,994
Individual income tax payable	66,257	60,704
Property tax payable	42,951	36,531
Others	120,061	99,165
	1,346,241	1,170,035

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 35. Other payables

	30 June 2024	31 December 2023
Accrued expenses	2,921,616	2,869,642
Advance received	1,289,585	1,451,641
Warranties	377,245	617,840
Transportation charges	330,609	241,401
Dividends due to non-controlling interests	201,060	44,585
Equipment or land use rights	181,030	496,327
Dividends payable	118,093	-
Equity payable	113,989	200,883
Equity incentive	82,934	180,068
Professional and training fees	78,850	31,661
External commission	30,228	45,894
Insurances	2,714	32,455
Restructuring liabilities payable	3,000	3,672
Restricted stock repurchase	-	-
Interest payable	1,095	-
Including: Interest of short-term borrowings	1,095	-
Interests payable on long-term loan (with interests payable by instalments and bullet repayment of principals)	-	-
Others	2,652,878	164,606
	<b>8,384,926</b>	<b>6,380,675</b>

(1) As at 30 June 2024, other payables aged more than 1 year were mainly unsettled warranties, deposits, etc.

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 36. Provisions

	Note	31 December 2023	Increase in current period	Decrease in current period	Translation difference of foreign currency statements	30 June 2024
Product warranties	(1)	949,294	318,500	(352,804)	(341)	914,649
Loss of pending actions		150	-	-	-	150
Relocation and liquidation compensation	(2)	172,882	-	(1,189)	-	171,693
Loss contract	(3)	30,808	13,889	(1,339)	(178)	43,180
Car loan risk provision	(4)	16,373	273	(4,784)	-	11,862
Others		145,938	19,856	(49)	(1,658)	164,087
		1,315,445	352,518	(360,165)	(2,177)	1,305,621

- (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 equipment, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Provisions – 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 CIMC Burg B.V., a subsidiary of the Group, due to relocation and liquidation.
- (3) As the construction cost exceeds the price agreed in the contract, it is expected that a loss will be incurred for some of them. Thus, Yantai Raffles accrued the estimated provision.
- (4) As at 30 June 2024, the Group's subsidiaries provided financial guarantees for customers to buy vehicle products from these subsidiaries. According to the guarantee contract, the Group's subsidiaries would accrue a provision for the ending balance of the loan guarantee, considering the credit quality. The Group expects that the credit risk of the loan commitment has not increased significantly since the initial recognition, and the loss provision is calculated according to the ECL in the next 12 months, which is RMB4,511,000 (From 1 January to 30 June 2023: RMB11,464,000) representing the credit impairment loss at the first stage.

	Guarantee balance	ECL rate in the next 12 months	Impairment provision	Reason
Car loan guarantee	403,813	2.94%	11,862	Note: Measured provision as ECL in the next 12 months

#### 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 2024	31 December 2023
Current portion of long-term borrowings	IV.39	5,187,899	9,292,880
Current portion of lease liabilities	IV.41	164,945	261,238
Current portion of long-term payables		53,066	121,501
Current portion of debentures payable		501,083	-
		5,906,993	9,675,619

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 38. Other current liabilities

	30 June 2024	31 December 2023
Super short-term financing bills (i)	2,001,677	2,002,618
VAT to be recognised (ii)	386,243	612,986
Others	262,778	412,763
	<b>2,650,698</b>	<b>3,028,367</b>

(i) Related information of short-term debentures payable is as follows:

	31 December 2023	Issuance in current period	Interest at par value	Amortisation of excess/discount	Repayment in current period	30 June 2024
23 CIMC SCP005	2,002,618	–	11,355	–	2,013,973	–
24 CIMC SCP001	–	2,000,000	11,452	–	2,011,452	–
24 CIMC SCP002	–	2,000,000	1,677	–	–	2,001,677
	2,002,618	4,000,000	24,484	–	4,025,425	2,001,677

	Par value	Nominal interest rate	Issuance date	Maturity	Issuance amount	Default or not
23 CIMC SCP005	200,000	2.81%	2023/12/14	91 days	200,000	No
24 CIMC SCP001	200,000	2.09%	2024/3/8	100 days	200,000	No
24 CIMC SCP002	200,000	1.80%	2024/6/13	105 days	200,000	No

(ii) VAT which is recognised as relevant revenue (or gains) or contract payments received but has not yet incurred VAT liability by the Group (as a general taxpayer) and will be recognised as output VAT in subsequent periods, and the Group includes it in the VAT to be recognised.



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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 39. Long-term borrowings

	Note	30 June 2024	31 December 2023
Unsecured		14,934,051	11,039,973
Guaranteed	(i)	10,055,148	11,714,092
Pledged	(ii)	49,816	62,270
		<b>25,039,015</b>	<b>22,816,335</b>
Less: Current portion of long-term borrowings			
Unsecured		(1,908,329)	(2,034,978)
Guaranteed	(i)	(3,254,662)	(7,232,994)
Pledged	(ii)	(24,908)	(24,908)
		<b>(5,187,899)</b>	<b>(9,292,880)</b>
		<b>19,851,116</b>	<b>13,523,455</b>

- (i) As at 30 June 2024, the guaranteed borrowings of RMB10,055,148,000 (31 December 2023: RMB11,714,092,000) was guaranteed by the Company or the Company's subsidiaries to member companies of the Group.
- (ii) As at 30 June 2024, the Group's principal and interest of pledged borrowings were RMB49,816,000 borrowed from the bank with 60% equity of its subsidiary Shenyang Jietong as collateral, of which the pledged borrowings that would expire within one year were RMB24,908,000 (As at 31 December 2023, the Group's principal and interest of pledged borrowings were RMB62,270,000 borrowed from the bank with 60% equity of its subsidiary Shenyang Jietong as collateral, of which the pledged borrowings that would expire within one year were RMB24,908,000).
- (iii) As at 30 June 2024, the Group did not have overdue long-term borrowings and the interest rate of long-term borrowings ranged from 1.20% to 7.20% (31 December 2023: 1.20% to 7.08%).

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 40. Debentures payable

	Note	31 December 2023	Issued this period	Interest accrued at face value	Transferred to current portion of non-current liabilities	Interest repaid this period	Currency translation differences	30 June 2024
Medium-term notes	(1)	507,583	2,500,000	21,331	(501,083)	(15,315)	-	2,512,516
Convertible bond	(2)	1,452,871	-	21,650	-	-	36,834	1,511,355
		1,960,454	2,500,000	42,981	(501,083)	(15,315)	36,834	4,023,871

#### (1) Medium-term notes are as follows:

Debenture name	Par value	Nominal interest rate	Issuance date	Maturity	Issuance amount	Default or not
22 CIMC GN001(blue bonds) (i)	500,000	2.60%	30 May 2022	3 Years	500,000	No
24 CIMC MTN002 (technology innovation instrument)	2,000,000	2.81%	26 March 2024	5 Years	2,000,000	No
24 Enric MTN001	500,000	2.43%	22 April 2024	3 Years	500,000	No
	3,000,000				3,000,000	

- (i) On 30 May 2022, the Company issued the first tranche of 2022 green medium-term notes (Blue Bonds) at par value for an issue amount of RMB500 million, 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 principal to be paid on 1 June 2025. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (ii) On 26 March 2024, the Company issued 24 CIMC MTN002 (technology innovation instrument) at par value for an issue amount of RMB2,000 million, with par value and issue price of RMB100 respectively per note and fixed interest rate of 2.81% per annum. Interest is to be paid on 28 March each year in the arrears until redemption and principal to be paid on 28 March 2029. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (iii) On 22 April 2024, Enric, a subsidiary of the Group, issued 2024 medium-term notes at par value for an issue amount of RMB500 million, with par value and issue price of RMB100 respectively per note and fixed interest rate of 2.43% per annum. Interest is to be paid on 24 April each year in the arrears until redemption and principal to be paid on 24 April 2027. 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) Convertible bond

On 30 November 2021, 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 16 November 2021. The maturity date of the bonds is 30 November 2026. Bondholders may convert their bonds into ordinary shares at any time on or after 10 January 2022 up to the 10th day prior to 30 November 2026 under the terms of the convertible bond. Conversion shares will be issued upon full or part conversion of the convertible bond based on the contracted conversion price of HKD11.78 per share.

Under the terms of the convertible bond, upon the event of a specified event, the bondholders will have the right to require Enric to redeem all or part of the bonds of such holders in principal amount on 30 November 2024, as well as unpaid default interest, if any.

On 20 May 2022, Enric adjusted the conversion price per share from HKD11.78 to HKD11.49 by resolution of the General Meeting of Shareholders in accordance with the terms and vesting conditions of the convertible bonds, which was effective from 7 June 2022. All other terms and vesting conditions of the convertible bond, except for the conversion price adjustment, remain unchanged.

As at the date of approval of the financial statements, no convertible shares have been issued under this convertible bond scheme.

Unless previously redeemed, converted or purchased and cancelled, Enric will redeem each bond at the principal amount together with its accrued and unpaid interest on 30 November 2026 or in the relevant circumstances set forth in the agreement.

Enric's convertible bond includes liability component and equity component.

There are embedded derivatives in respect of the early redemption features of the convertible bond. 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.

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 40. Debentures payable (Continued)

##### (2) Convertible bond (Continued)

As at the date of issue, the fair value of the liability component of the convertible bonds was disclosed as below:

Principal amount	1,374,106
Issuance expenses	(18,002)
Liability component	(1,232,160)
Equity component	123,944

Subsequent to the initial recognition, the liability component of the convertible bonds has been carried at amortised cost using the effective interest method. The effective interest rate of the liability component of the convertible bonds was 2.9% per annum as at 30 June 2024. The movement of the liability component and the equity component of the convertible bonds as at 30 June 2024 is set out below:

	Liability component	Equity component	Total
1 January 2024	1,452,871	123,944	1,576,815
Interest	21,650	–	21,650
Exchange difference	36,834	–	36,834
30 June 2024	<b>1,511,355</b>	<b>123,944</b>	<b>1,635,299</b>

The equity component will remain in owners' equity 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 2024	31 December 2023
Lease liabilities	1,064,845	1,081,876
Less: Current portion of non-current liabilities (Note IV.37)	(164,945)	(261,238)
	<b>899,900</b>	<b>820,638</b>

- (1) As at 30 June 2024 and 31 December 2023, the events that were not included in lease liabilities but would lead to potential cash outflows of the Group are as follows:

As at 30 June 2024, the Group had no lease payments related to the lease contracts that were signed by the Group but had not yet taken effect (31 December 2023: Nil).

As at 30 June 2024, the future minimum lease payments of short-term leases and low-value asset leases adopting the practical expedient according to the new lease standard were insignificant.

#### 42. Deferred income

		31 December 2023	Increase in current period	Decrease in current period	30 June 2024
Government grants	(1)	1,028,427	17,582	(59,659)	986,350
Others		3,650	–	(1,276)	2,374
		1,032,077	17,582	(60,935)	988,724

##### (1) Government grants

	31 December 2023	Increase in current period	Decrease in current period			30 June 2024
			Other income	Write-down of financial expenses	Other decrease	
Government grants related to assets	834,249	9,211	(28,018)	–	(317)	815,125
Government grants related to income	194,178	8,371	(11,999)	(7,710)	(11,615)	171,225
	1,028,427	17,582	(40,017)	(7,710)	(11,932)	986,350

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 43. Other non-current liabilities

	Note	30 June 2024	31 December 2023
Exchange rate/interest rate swap contracts (Note IV.3)	(i)	1,368	5,159
Others		179,460	49,795
		180,828	54,954

(i) As at 30 June 2024, the Group had 2 unsettled exchange rate/interest rate swap contracts denominated in USD, with a nominal value amounting to USD250,000,000 and fair value of RMB1,368,000. The settlement date of the aforesaid exchange rate/interest rate swap contracts was on 20 May 2027.

#### 44. Share capital

	31 December 2023	Increase in current period	Decrease in current period	Unfreezing of shares subject to trading restriction	30 June 2024
<b>Shares subject to trading restriction</b>					
Held by domestic natural person	1,275	–	–	–	1,275
<b>Share not subject to trading restriction</b>					
RMB dominated ordinary shares	2,301,408	–	–	–	2,301,408
Foreign shares listed overseas	3,089,838	–	–	–	3,089,838
	5,392,521	–	–	–	5,392,521

	31 December 2022	Increase in current year	Decrease in current year	Unfreezing of shares subject to trading restriction	31 December 2023
<b>Shares subject to trading restriction</b>					
Held by domestic natural person	1,275	–	–	–	1,275
<b>Share not subject to trading restriction</b>					
RMB dominated ordinary shares	2,301,408	–	–	–	2,301,408
Foreign shares listed overseas	3,089,838	–	–	–	3,089,838
	5,392,521	–	–	–	5,392,521

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 45. Other equity instruments

	31 December 2023	Issuance in current period	Interest at par value	Paid in current period	30 June 2024
22 CIMC MTN001 (a)	2,049,774	–	32,100	(64,200)	2,017,674
24 CIMC MTN001 (b)	–	2,000,000	15,445	–	2,015,445
	2,049,774	2,000,000	47,545	(64,200)	4,033,119

	31 December 2022	Issuance in current year	Interest at par value	Paid in current year	31 December 2023
22 CIMC MTN001	2,049,774	–	64,200	(64,200)	2,049,774

(a) Approved by the National Association of Financial Market Institutional Investors with Document (Zhong Shi Xie Zhu [2021] No. DFI 31), the Company issued a cumulative perpetual bond ("22 CIMC MTN001") with no fixed repayment period on 16 February 2022, with a total book value of RMB2 billion and an initial fixed interest rate of 3.21%. Other key terms of the bond are listed as follows:

- (1) The bond has a maturity of 3+N (3) years, which lasts for a long period of time before the issuer redeems it in accordance with the terms of issuance and matures when the issuer redeems it in accordance with the terms of issuance.
- (2) The bond is subject to the issuer's right to deferred interest payments. Unless any event that triggers the mandatory payment of interest occurs, on each of the distribution payment dates, the issuer may elect to defer any distribution including any arrears of distribution and any additional distribution amount which has been deferred to the next distribution payment date according to this term. The distribution deferral is not subject to any limit as to the number of times that distribution and arrears of distribution can be deferred.
- (3) The issuer is not allowed to distribute dividends to ordinary shareholders or reduce the registered capital within 12 months prior to the payment of interest before the deferred distribution and arrears of distribution are fully paid.

As the perpetual debt does not constitute a contractual obligation that the Company has to pay cash or other financial assets, it is classified as an equity instrument and presented as other equity instrument.

(b) Approved by the National Association of Financial Market Institutional Investors with Document (Zhong Shi Xie Zhu [2023] No. MTN 1304), the Company issued a cumulative perpetual bond ("24 CIMC MTN001 (technology innovation instrument)") with no fixed repayment period on 20 March 2024, with a total book value of RMB2 billion and an initial fixed interest rate of 2.78%. Other key terms of the bond are listed as follows:

- (1) The bond has a maturity of 3+N (3) years, which lasts for a long period of time before the issuer redeems it in accordance with the terms of issuance and matures when the issuer redeems it in accordance with the terms of issuance.
- (2) The bond is subject to the issuer's right to deferred interest payments. Unless any event that triggers the mandatory payment of interest occurs, on each of the distribution payment dates, the issuer may elect to defer any distribution including any arrears of distribution and any additional distribution amount which has been deferred to the next distribution payment date according to this term. The distribution deferral is not subject to any limit as to the number of times that distribution and arrears of distribution can be deferred.
- (3) In the event that the issuer defers interest payments, the company shall not distribute dividends to common shareholders or reduce its registered capital until all deferred interest payments and their accrued interest have been fully settled.

As the perpetual debt does not constitute a contractual obligation that the Company has to pay cash or other financial assets, it is classified as an equity instrument and presented as other equity instrument.

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46. Capital reserve

	31 December 2023	Increase in current period	Decrease in current period	<b>30 June 2024</b>
Share premium	4,058,400	39,115	(245,163)	<b>3,852,352</b>
Including: Contributions by non-controlling interests (Note VI.1(5)(i))	3,524,610	39,115	–	<b>3,563,725</b>
Disposals of partial equity of subsidiary	986,115	–	(193,705)	<b>792,410</b>
Acquisition of non-controlling interests of subsidiary (Note VI.1(5)(ii)(iii))	(1,815,763)	–	(51,458)	<b>(1,867,221)</b>
Increase in non-controlling interests resulted from establishment of subsidiary	(107,258)	–	–	<b>(107,258)</b>
Transfer from capital reserve to share capital	(1,797,507)	–	–	<b>(1,797,507)</b>
Others	3,268,203	–	–	<b>3,268,203</b>
Other capital reserve	490,286	7,500	(2,376)	<b>495,410</b>
Including: Increase in shareholders' equity resulted from share-based payments	675,989	(22,236)	–	<b>653,753</b>
Increase in non-controlling interests due to share option exercised by subsidiary	9,736	29,736	–	<b>39,472</b>
Subsidiary issuance of convertible bond	123,944	–	–	<b>123,944</b>
Effect of changes in recording currency	(406,795)	–	–	<b>(406,795)</b>
Others	87,412	–	(2,376)	<b>85,036</b>
	4,548,686	46,615	(247,539)	<b>4,347,762</b>



## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46. Capital reserve (Continued)

	31 December 2022	Increase in current year	Decrease in current year	31 December 2023
Share premium	3,787,054	935,694	(664,348)	4,058,400
Including: Contributions by non-controlling interests (Note VI.1(5)(i))	2,628,533	896,077	–	3,524,610
Disposals of partial equity of subsidiary	986,115	–	–	986,115
Acquisition of non-controlling interests of subsidiary (Note VI.1(5)(ii)(iii))	(1,191,032)	39,617	(664,348)	(1,815,763)
Increase in non-controlling interests resulted from establishment of subsidiary	(107,258)	–	–	(107,258)
Transfer from capital reserve to share capital	(1,797,507)	–	–	(1,797,507)
Others	3,268,203	–	–	3,268,203
Other capital reserve	420,744	79,066	(9,524)	490,286
Including: Increase in shareholders' equity resulted from share-based payments	618,506	57,483	–	675,989
Increase in non-controlling interests due to share option exercised by subsidiary	(11,847)	21,583	–	9,736
Subsidiary issuance of convertible bond	123,944	–	–	123,944
Effect of changes in recording currency	(406,795)	–	–	(406,795)
Others	96,936	–	(9,524)	87,412
	4,207,798	1,014,760	(673,872)	4,548,686

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 47. Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in January-June 2024 income statement			
	31 December 2023	Post-tax amount attributable to the Company	30 June 2024	Pre-tax amount incurred	Less: Income tax expenses	Post-tax amount attributable to the Company	Post-tax amount attributable to non-controlling interests
Items that will not be reclassified to profit or loss							
- Changes in fair values of other equity investments	172,190	(169,024)	3,166	(169,024)	-	(169,024)	-
Items that may be reclassified subsequently to profit or loss							
- Translation difference of foreign currency statements	(243,312)	(220,286)	(463,598)	(247,447)	-	(220,286)	(27,161)
- Changes in fair value of hedge accounting		(11,641)	(11,641)	(11,641)		(11,641)	
- The share of other comprehensive income that will be reclassified into profit or loss under equity method	243,862	45,453	289,315	45,453	-	45,453	-
- The amount greater than the carrying amount on the conversion date when the self-use real estate was converted to investment properties using fair value measurement	387,152	-	387,152	-	-	-	-
	559,892	(355,498)	204,394	(382,659)	-	(355,498)	(27,161)

	Other comprehensive income in the balance sheet			Other comprehensive income in the 2023 income statement			
	31 December 2022	Post-tax amount attributable to the Company	31 December 2023	Pre-tax amount incurred	Less: Income tax expenses	Post-tax amount attributable to the Company	Post-tax amount attributable to non-controlling interests
Items that will not be reclassified to profit or loss							
- Changes in fair values of other equity investments	638,526	(466,336)	172,190	(530,245)	63,909	(466,336)	-
Items that may be reclassified subsequently to profit or loss							
- Translation difference of foreign currency statements	(184,152)	(59,160)	(243,312)	97,457	-	(59,160)	156,617
- The share of other comprehensive income that will be reclassified into profit or loss under equity method	215,671	28,191	243,862	28,191	-	28,191	-
- The amount greater than the carrying amount on the conversion date when the self-use real estate was converted to investment properties using fair value measurement	395,495	(8,343)	387,152	(8,343)	-	(8,343)	-
	1,065,540	(505,648)	559,892	(412,940)	63,909	(505,648)	156,617

## NOTES TO THE FINANCIAL STATEMENTS

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 48. Surplus reserve

	31 December 2023	Increase in current period	Decrease in current period	30 June 2024
Statutory surplus reserve	2,696,259	–	–	2,696,259
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	4,486,351	–	–	4,486,351

	31 December 2022	Increase in current year	Decrease in current year	31 December 2023
Statutory surplus reserve	2,510,163	186,096	–	2,696,259
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	4,300,255	186,096	–	4,486,351

In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year 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.

#### 49. Undistributed profits

	Note	January-June 2024	2023
Undistributed profits at the beginning of the year		30,801,685	31,597,541
Add: Net profit attributable to shareholders and other equity holders of the Company in current period		865,781	421,249
Add: Impact of share-based payments by subsidiaries		77,563	–
Less: Equity attributable to holders of other equity instruments in current period		(47,545)	(64,200)
Less: Appropriation to surplus reserve		–	(186,096)
Less: Ordinary share dividends payable	(1)	(118,093)	(966,809)
Undistributed profits at the end of the period		31,579,391	30,801,685

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49. Undistributed profits (continued)

##### (1) Ordinary share dividends distributed in current period

	January-June 2024	2023
Total proposed dividends in the period	118,093	966,809

Approved by the shareholders' general meeting on 26 June 2024, the Company distributed cash dividends to ordinary shareholders on 16 August 2024, at RMB0.022 per share (2023: RMB0.18 per share), totaling RMB118,093,000 (2023: RMB966,809,000).

#### 50. Revenue and cost of sales

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Revenue from main operations	77,081,255	58,571,290
Revenue from other operations	2,033,788	2,002,678
	<b>79,115,043</b>	<b>60,573,968</b>
Cost of sales from main operations	69,915,804	51,022,590
Cost of sales from other operations	713,012	1,389,835
	<b>70,628,816</b>	<b>52,412,425</b>

##### (1) Revenue and cost of sales from main operations by industry

	For the period from 1 January to 30 June 2024		For the period from 1 January to 30 June 2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Containers manufacturing business	24,366,997	21,382,732	12,970,477	11,123,549
Road transportation vehicles business	9,285,128	8,859,279	11,904,689	9,685,150
Energy, chemical and liquid food equipment business	11,913,449	10,403,273	11,158,746	9,388,632
Logistics services business	13,986,393	13,197,168	8,980,664	8,415,427
Airport facilities and logistics equipment, fire safety and rescue equipment business	2,290,480	1,855,482	2,196,807	1,772,072
Finance and asset management	1,154,059	1,053,284	801,229	955,954
Offshore engineering business	7,692,441	7,338,292	3,854,564	3,456,401
Unit load business	1,188,202	1,046,435	1,407,998	1,229,853
Others	5,204,106	4,779,859	5,296,116	4,995,552
	<b>77,081,255</b>	<b>69,915,804</b>	<b>58,571,290</b>	<b>51,022,590</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### 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 location

	For the period from 1 January to 30 June 2024		For the period from 1 January to 30 June 2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
China	68,723,304	62,572,962	48,642,012	43,635,449
Europe	2,679,367	2,681,316	2,588,915	2,494,295
America	3,645,139	3,513,877	5,695,967	3,806,270
Asia (except for China)	1,683,282	960,434	1,417,844	1,025,784
Others	350,163	187,215	226,552	60,792
	<b>77,081,255</b>	<b>69,915,804</b>	<b>58,571,290</b>	<b>51,022,590</b>

The main business's operating income and operating costs are divided according to the location of the company that provides the service or sells the product.

##### (3) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June 2024		For the period from 1 January to 30 June 2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of raw materials	1,606,642	415,747	1,587,712	1,118,460
Rendering of services	365,394	268,826	357,826	236,137
Rental income (i)	61,752	28,439	57,140	35,238
	<b>2,033,788</b>	<b>713,012</b>	<b>2,002,678</b>	<b>1,389,835</b>

- (i) The Group's rental income comes from leasing its own houses and buildings, machinery and equipment and transportation vehicles. For the period from 1 January to 30 June 2024, there was no variable rent in the rental income based on a certain percentage of the lessee's sales (for the period from 1 January to 30 June 2023: Nil). For the period From 1 January to 30 June 2024, there was no significant change on financial leasing (for the period from 1 January to 30 June 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 50. Revenue and cost of sales (Continued)

(4) The Group's revenue and cost of sales classified by segment reports are as follows:

For the period from 1 January to 30 June 2024										
	Containers manufacturing business	Road transportation vehicles business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport facilities and logistics equipment, fire safety and rescue equipment business	Logistics services business	Unit load business	Finance and asset management business	Others	Total
Revenue from main operations										
Including:										
Recognised at a point in time	24,366,997	9,115,533	9,392,934	877,675	1,700,993	-	1,188,202	188,626	5,204,106	52,035,065
Recognised over time	-	169,596	2,520,515	6,814,766	589,487	13,986,393	-	965,433	-	25,046,190
Revenue from other operations (i)	250,888	1,321,647	192,402	86,256	96,067	17,614	7,361	1,451	60,102	2,033,788
	24,617,885	10,606,776	12,105,851	7,778,697	2,386,547	14,004,007	1,195,563	1,155,510	5,264,208	79,115,043

For the period from 1 January to 30 June 2023										
	Containers manufacturing business	Road transportation vehicles business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport facilities and logistics equipment, fire safety and rescue equipment business	Logistics services business	Unit load business	Finance and asset management business	Others	Total
Revenue from main operations										
Including:										
Recognised at a point in time	12,970,477	11,737,705	7,484,956	439,790	1,373,533	-	1,407,998	130,957	5,296,116	40,841,532
Recognised over time	-	166,984	3,673,790	3,414,774	823,274	8,980,664	-	670,272	-	17,729,758
Revenue from other operations (i)	181,557	970,474	191,387	155,596	70,170	8,669	12,967	684	411,174	2,002,678
	13,152,034	12,875,163	11,350,133	4,010,160	2,266,977	8,989,333	1,420,965	801,913	5,707,290	60,573,968

(i) The Group's revenue from sales of materials included in revenue from other operations is recognised at a certain point in time. The revenue from rental income and rendering of services is recognised over time.

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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 51. Taxes and surcharges

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023	Standard
Urban maintenance and construction tax	68,961	69,065	1% – 7% of VAT paid
Housing property tax	53,167	50,201	Real estate surplus or property rental income and applicable tax rate
Educational surcharge	52,862	55,215	3% – 5% of VAT paid
Tenure tax	39,533	41,234	Actual using area of land and unit tax
Stamp duty	42,472	34,798	Amount or number of taxable voucher and applicable tax rate or unit tax
Others	6,511	6,269	
	<b>263,506</b>	<b>256,782</b>	

#### 52. Selling and distribution expenses

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Right-of-use assets depreciation	8,049	5,082
Employ fees	674,637	583,216
Selling operation expenses	166,841	188,854
External sales commission	57,282	93,415
Advertising fee	8,475	9,976
Product maintenance fee	6,314	7,562
Agency fees	36,746	36,698
Storage	48,013	56,977
Transportation and distribution expenses	15,474	15,273
Others	163,399	130,850
	<b>1,185,230</b>	<b>1,127,903</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 53. General and administrative expenses

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Employ fees	2,041,105	1,800,521
Depreciation and amortisation expenses	285,018	232,993
Agency fees	176,971	144,537
Share-based payment expenses (Note IX.1)	83,659	77,030
Entertainment fee	72,674	69,497
Travel expenses	60,339	61,207
Right-of-use assets depreciation	56,512	43,035
Rental	56,073	70,604
Materials consumed and low-value consumables	16,306	22,213
Taxes and surcharges	11,599	9,311
Insurance, external repairing expenses and others	420,327	405,522
	<b>3,280,583</b>	<b>2,936,470</b>

#### 54. Research and development expenses

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Direct material consumption	394,659	472,072
Research and development labour costs	526,118	477,652
Depreciation and amortisation	33,836	45,853
Testing fee	76,149	43,591
Design fee	21,641	8,548
Others	73,492	72,061
	<b>1,125,895</b>	<b>1,119,777</b>

#### 55. Financial expenses/(income)

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Interest expenses of borrowings	1,083,498	915,826
Add: Interest expenses on lease liabilities	17,314	11,961
Less: Capitalised interest expenses	(38,267)	(30,581)
Less: Government grants (Note IV.42(1))	(7,710)	-
Sub-total	<b>1,054,835</b>	<b>897,206</b>
Less: Interest income from bank deposits	(227,691)	(146,041)
Net foreign exchange gains	(379,838)	(690,239)
Others	75,634	70,059
	<b>522,940</b>	<b>130,985</b>



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For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 56. Expenses by nature

Costs of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in income statement presented by nature are analysed as follows:

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Finished goods and products in progress movement	674,772	1,540,518
Consumption of raw materials and low-valued consumables, etc.	48,721,678	36,685,478
Salary and wages	6,446,231	5,666,978
Depreciation and amortisation expenses	1,903,647	2,068,344
Rental (i)	154,046	171,475
Transportation and distribution expenses	14,428,283	7,792,576
Selling operation expenses	166,841	188,854
Power expenses	523,856	360,536
Processing and repairing expenses	1,103,497	670,842
Other expenses – other research and development expenses	163,493	586,277
Other expenses – other manufacturing expenses	579,810	807,805
Other expenses – other selling and distribution expenses	592,066	404,728
Other expenses – other general and administrative expenses	762,304	652,164
	<b>76,220,524</b>	<b>57,596,575</b>

(i) As mentioned in Note II.28, 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 2024, the amount was RMB154,046,000 (for the period from 1 January to 30 June 2023: RMB171,475,000).

#### 57. Losses on changes in fair value

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Financial assets at fair value through profit or loss		
– Financial assets held for trading and other non-current financial assets	(50,735)	15,641
Investment properties at fair value	(1,702)	775
Financial liabilities at fair value through profit or loss		
– Financial liabilities held for trading	(4,331)	1,836
Derivative financial instruments	(192,993)	(1,143,922)
	<b>(249,761)</b>	<b>(1,125,670)</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 58. Investment income

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Investment income from financial assets held for trading during the holding period	6,681	1,421
Investment income from disposal of financial assets/liabilities held for trading	41,295	28,467
Investment income from other equity investments	23,752	54,994
Investment (losses)/income from disposals of derivative financial instruments	(69,914)	(343,573)
Investment income/(losses) from long-term equity investments under equity method	121,207	136,674
Investment income/(losses) from disposals of long-term equity investments	3,524	200,615
(Losses)/income from fair value of the equity held by the buyer before the purchase date shall be re-measured and recognized	–	(3,462)
Others	(411)	(1,052)
	<b>126,134</b>	<b>74,084</b>

#### 59. Gains on disposals of assets

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023	Amount recognised in non-recurring profit or loss in 1 January to 30 June 2024
Gains on disposals of fixed assets	9,450	18,207	9,450
Gains on disposals of intangible assets	40	–	40
(Loss)/gains on disposals of other assets	(427)	156	(427)
	<b>9,063</b>	<b>18,363</b>	<b>9,063</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 60. Other income

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023	Asset related/Income related
Financial subsidies	102,653	173,459	Asset/Income related
Tax refund	34,925	33,496	Income related
Others	60,997	16,627	Income related
	<b>198,575</b>	<b>223,582</b>	

#### 61. Asset impairment losses

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Impairment losses on construction in progress	–	–
Impairment losses on contract assets	12,674	4,640
Impairment losses on inventories and costs incurred to fulfil a contract	3,466	95,686
Impairment losses on goodwill	9,832	–
Impairment losses on fixed assets	–	–
Impairment losses on intangible assets	–	–
Impairment losses on long-term equity investments	–	–
Impairment losses on bad debts of advance to suppliers	–	90
Impairment losses on assets held for sale	–	–
	<b>25,972</b>	<b>100,416</b>

#### 62. Credit impairment losses

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Losses on bad debts of long-term receivables (including current portion of non-current assets)	2,661	1,392
Losses on bad debts of notes receivables	445	993
(Reversal of) bad debts of receivables financing	(173)	(55)
Losses on bad debts of account receivables	53,813	44,030
(Reversal of) bad debts of other receivables	(1,600)	(366)
(Reversal of) financial guarantee contracts	(4,511)	(11,464)
	<b>50,635</b>	<b>34,530</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 63. Non-operating income

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023	Amount recognised in non-recurring profit or loss for the period from 1 January to 30 June 2024
Unpayable payables	5,451	23,652	5,451
Compensation income	5,467	10,432	5,467
Penalty income	4,065	7,090	4,065
Others	111,397	19,404	111,397
	<b>126,380</b>	60,578	126,380

#### 64. Non-operating expenses

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023	Amount recognised in non-recurring profit or loss for the period from 1 January to 30 June 2024
Losses on scrapping of fixed assets	8,859	14,825	8,859
Claims expenses	8,350	1,560	8,350
Penalty expenses	4,460	7,403	4,460
Donations	651	93	651
Others	3,680	29,765	3,680
	<b>26,000</b>	53,646	26,000

#### 65. Income tax expenses

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Current income tax calculated based on tax law and related regulations	733,357	713,693
Deferred income tax	87,569	(52,104)
	<b>820,926</b>	661,589

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 65. Income tax expenses (Continued)

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is set out as below:

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Total profit	2,215,856	1,651,971
Income tax expenses calculated at applicable tax rates (25%)	553,964	411,331
The effect of using different tax rates for subsidiaries	48,879	22,479
Effect of tax incentive	(30,599)	(32,792)
Cost, expenses and losses not deductible for tax purposes	46,563	33,973
Other income not subject to tax	(24,892)	(93,488)
Utilisation of previously unrecognised deductible losses	(41,101)	(33,240)
Deductible losses for which no deferred tax asset was recognised	244,191	305,665
Deductible temporary differences for which no deferred tax asset was recognised	42,075	67,516
Utilisation of previously unrecognised deductible temporary differences	(4,981)	(7,299)
Effect of tax rate change on deferred tax	–	–
Tax refund for income tax annual filing	(13,173)	(12,557)
Income tax expenses	820,926	661,589

#### 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 2024	For the period from 1 January to 30 June 2023
Consolidated net profit attributable to shareholders of the Company	865,781	398,556
Less: Equity attributable to holders of other equity instruments	(47,545)	(32,100)
Consolidated net profit attributable to ordinary shareholders of the Company	818,236	366,456
Weighted average number of ordinary shares outstanding ('000)	5,225,771	5,392,521
Basic earnings per share (RMB/share)	0.16	0.07
Including: Going concern basic earnings per share	0.16	0.05
Termination concern basic earnings per share	–	0.02

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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

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

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Consolidated net profit attributable to shareholders of the Company	<b>865,781</b>	398,556
Impact of the issuing of the perpetual bonds by the Company	<b>(47,545)</b>	(32,100)
Impact of share-based payments by subsidiaries	<b>(26,049)</b>	13,710
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company	<b>792,187</b>	380,166
Weighted-average number of ordinary shares outstanding (diluted) ('000) (adjusted)	<b>5,225,771</b>	5,392,521
Diluted earnings per share (RMB/share)	<b>0.15</b>	0.07

#### 67. Information to cash flow statement

The Group did not have cash flows presented on a net basis, and significant cash flow items are as follows:

##### (1) Cash received relating to other operating activities

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Government grants related to assets were received during the period	<b>9,211</b>	80,434
Government grants related to current income were received during the period	<b>102,653</b>	173,459
Interest received	<b>223,583</b>	160,222
Compensation income received	<b>5,451</b>	23,652
Cash received from penalty income	<b>4,065</b>	7,090
Others	<b>913,397</b>	484,468
	<b>1,258,360</b>	929,325

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 67. Information to cash flow statement (Continued)

##### (2) Cash paid relating to other operating activities

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Cash paid for rental, insurance and other miscellaneous expenses related to sales	174,092	167,548
Cash paid for research and development expenses	565,938	596,272
Cash paid for warranty	352,804	149,652
Cash paid for selling operation expenses	166,993	188,854
Others	262,301	938,679
	<b>1,522,128</b>	<b>2,041,005</b>

##### (3) Cash received relating to other investing activities

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Cash paid for purchase of the subsidiary during the current period less than the amount of cash held by the subsidiary	7,182	7,095
	<b>7,182</b>	<b>7,095</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 67. Information to cash flow statement (Continued)

##### (4) Cash paid relating to other investing activities

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Cash received for disposing the subsidiary during the current period less than the amount of cash held by the subsidiary	–	124,683
Losses on settlement of derivative financial instruments	<b>478,567</b>	642,940
	<b>478,567</b>	767,623

##### (5) Cash paid relating to other financing activities

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Cash paid for underwriting, registration, establishment and financing fee	<b>18,188</b>	49,565
Cash paid for lease liabilities	<b>155,931</b>	144,408
Stock repurchase funds	<b>1,197,151</b>	–
Others	<b>6,613</b>	18,482
	<b>1,377,883</b>	212,455

For the period from 1 January to 30 June 2024, total cash paid out for lease related activities was RMB309,977,000 (For the period from 1 January to 30 June 2023: RMB315,883,000). Except for cash paid for lease liability above, the rest of cash paid out was operating activity related.



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 68. Notes to the cash flow statement

##### (1) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities:

	<b>For the period From 1 January to 30 June 2024</b>	For the period From 1 January to 30 June 2023
Net profit	1,394,930	990,382
Add: Asset impairment losses	25,972	100,416
Credit impairment losses	50,635	34,530
Depreciation of fixed assets	1,378,384	1,574,271
Right-of-use assets depreciation	201,342	141,380
Amortisation of intangible assets	123,796	153,437
Amortisation of long-term prepaid expenses	200,125	199,256
Losses/(Gains) on disposals of fixed assets, intangible assets and other long-term assets	(204)	(3,538)
Losses on changes in fair value	249,762	1,125,670
Financial expenses/(income)	809,830	739,204
Investment (income)/losses	(126,134)	(74,084)
Share-based payments expenses	83,659	77,030
Increase in deferred tax assets	(154,285)	(145,606)
Increase/(Decrease) in deferred tax liabilities	66,716	93,501
(Increase)/Decrease in inventories	(3,196,361)	(963,087)
(Increase) in operating receivables	(10,692,026)	(4,515,417)
Increase/(decrease) in operating payables	8,136,952	(1,535,627)
Net cash flows from operating activities	<b>(1,446,907)</b>	(2,008,282)

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 68. Notes to the cash flow statement (Continued)

##### (1) Supplementary information to the cash flow statement (Continued)

Net change of cash and cash equivalents:

	<b>For the period From 1 January to 30 June 2024</b>	For the period From 1 January to 30 June 2023
Cash and cash equivalents at the end of the period	21,742,209	17,042,395
Less: cash and cash equivalents at the beginning of the year	20,350,816	15,912,300
Net increase/(decrease) in cash and cash equivalents	1,391,393	1,130,095

##### (2) Composition of cash and cash equivalents

	30 June 2024	30 June 2023
I. Cash		
Including: Cash on hand	5,731	11,925
Cash at bank that can be readily drawn on demand	19,555,842	16,206,231
Other monetary fund that can be readily drawn on demand	696,550	524,239
II. Assets purchased by Finance Company under reverse repurchase agreements	1,469,000	300,000
III. Cash and cash equivalents classified as held for sale	15,086	-
IV. Cash and cash equivalents at the end of the period	21,742,209	17,042,395

Note: The aforesaid cash and cash equivalents excluded restricted cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 69. Monetary items dominated in foreign currency

	30 June 2024		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Cash and cash equivalents –			
USD	1,116,996	7.2671	8,117,321
EUR	93,856	7.7693	729,197
HKD	1,859,242	0.9306	1,730,248
GBP	39,272	9.1769	360,392
JPY	1,492,010	0.0451	67,320
AUD	52,555	4.8145	253,027
THP	1,290,881	0.1970	254,355
Others			110,672
			11,622,532
Account receivables –			
USD	2,537,111	7.2671	18,437,443
EUR	86,996	7.7693	675,895
GBP	34,004	9.1769	312,052
JPY	269,160	0.0451	12,144
HKD	98,448	0.9306	91,618
AUD	18,761	4.8145	90,323
THP	23,761	0.1970	4,682
Others			430,349
			20,054,506
Other receivables –			
USD	197,580	7.2671	1,435,835
GBP	22,061	9.1769	202,451
HKD	108,052	0.9306	100,555
EUR	7,527	7.7693	58,479
THP	28,953	0.1970	5,705
AUD	9,892	4.8145	47,624
Others			53,302
			1,903,951

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(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 2024		
	Functional currency ('000)	Exchange rate	In RMB ('000)
Long-term receivables –			
Others			6,499
			6,499
Short-term borrowings –			
USD	884,880	7.2671	6,430,509
HKD	1,224,862	0.9306	1,139,881
EUR	13,500	7.7693	104,885
			7,675,275
Account payables –			
USD	551,196	7.2671	4,005,593
EUR	60,833	7.7693	472,630
GBP	29,892	9.1769	274,312
THP	72,635	0.1970	14,312
AUD	7,353	4.8145	35,402
HKD	55,359	0.9306	51,519
JPY	2,982	0.0451	135
Others			640,952
			5,494,853
Other payables –			
USD	95,334	7.2671	692,801
EUR	63,682	7.7693	494,766
AUD	11,634	4.8145	56,010
GBP	32,293	9.1769	296,347
HKD	190,296	0.9306	177,093
THP	10,688	0.1970	2,106
JPY	18,915	0.0451	853
Others			554,525
			2,274,501

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(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 2024		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Long-term borrowings –			
USD	251,733	7.2671	1,829,368
EUR	80,995	7.7693	629,276
Others			34,312
			2,492,956
Long-term payables –			
AUD	740	4.8145	3,564
			3,564
Lease liabilities –			
EUR	11,132	7.7693	86,485
AUD	10,562	4.8145	50,850
USD	7,943	7.2671	57,721
GBP	3,874	9.1769	35,550
THP	48,466	0.1970	9,550
HKD	6,892	0.9306	6,414
Others			64,515
			311,085

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 XVI.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 enterprises not under common control

There was no significant business combinations involving enterprises not under common control during the period.

#### 2. Disposals of subsidiaries

There was no significant disposals of subsidiaries during the period.

### VI. EQUITY IN OTHER ENTITIES

#### 1. Equity in subsidiaries

All subsidiaries of the Group were established or acquired through business combinations involving enterprises not under common control. There was no acquisition of subsidiaries through business combinations involving enterprises under common control.

As at 30 June 2024, the number of companies included in the scope of consolidation added up to 692. Except for the important subsidiaries listed below, the number of other subsidiaries held by the Group was 646. Other subsidiaries mainly included those engaged in manufacturing or service provision, which have relatively small scale of operation. Other subsidiaries also included those investment holding companies with no operating activities registered in Hong Kong, British Virgin Islands or other overseas countries.

## NOTES TO THE FINANCIAL STATEMENTS

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### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

##### (1) Major subsidiaries obtained through establishment or investment

###### (i) Domestic subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. ("SCIMC")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacture, repair and sales of container, container stockpiling business	RMB260,580,000	-	100.00%
2	CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, production and sales of various special series of vehicles and trailer	RMB1,874,120,000	38.87%	22.26%
3	Yantai CIMC Raffles Marine Technology Group Co., Ltd. ("CIMC Raffles Group")	Business entity	Yantai, Shandong	Yantai, Shandong	Development of key supporting system of offshore engineering, manufacture of offshore engineering equipment, manufacture of offshore engineering platform equipment and sales of deep-sea oil-drilling equipment	RMB5,000,000,000	-	80.04%
4	Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacture and sales of various containers, semi-finished container products and relevant components products; leasing and maintenance of these products	RMB425,490,000	-	100.00%
5	Nantong CIMC Special Logistics Equipment Development Co., Ltd. ("NTSL")	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, sales and repair of various trough, tank as well as various special storing and transporting equipment and parts	USD11,760,000	-	75.35%
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	-	58.34%
7	Qingdao CIMC Special Reefer Co., Ltd. ("QDCSR")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture of refrigerated container	RMB250,410,000	-	100.00%
8	Taicang CIMC Special Logistics Equipment Co., Ltd. ("TCSLE")	Business entity	Suzhou, Jiangsu	Suzhou, Jiangsu	Manufacture of container	USD40,000,000	-	100.00%

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

##### (1) Major subsidiaries obtained through establishment or investment (Continued)

###### (i) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
9	Yangzhou Runyang Logistics Equipment Co., Ltd. ("YZRYL")	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture, repair and sales of container	RMB143,880,000	-	75.00%
10	CIMC Container (Group) Co., Ltd. ("CIMC Container (Group)") (Former name: CIMC Container Shareholding Co., Ltd.)	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Industrial and project investments	RMB6,634,020,000	100.00%	-
11	CIMC Technology Co., Ltd. ("CIMC Technology")	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Management of industrial and equity investments	RMB1,430,300,000	-	100.00%
12	CIMC Cold Chain Development Co., Ltd. ("CIMC Cold Chain")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Investment	RMB3,624,700,000	-	100.00%
13	Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd. ("TianDa Logistics")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Planning, advisory and development of logistics automated system engineering	RMB60,000,000	-	58.34%
14	Cimc New Energy (Liupanshui) Technology Co., LTD ("Liupanshui New Energy")	Business entity	Liupanshui, Guizhou	Liupanshui, Guizhou	Gas operation	RMB250,000,000	-	55.42%
15	Shenzhen Anruiqi Holding Co., Ltd. ("Anruiqi Holding")	Business entity	Beijing	Beijing	Project and venture investment and enterprise management advisory	RMB100,000	-	67.65%
16	CIMC Safeway Technologies Co., Ltd. ("CIMC Safe Tech")	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Design, development, production and sales of storing and transporting equipment and parts including petrochemical product and other media, repair, maintenance, refurbishment, and services of relevant equipment	RMB600,000,000	-	51.71%
17	CIMC Wetrans Logistics Technology (Group) Co., Ltd. ("CIMC Wetrans Logistics")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB1,741,110,000	62.70%	-



## NOTES TO THE FINANCIAL STATEMENTS

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### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

##### (1) Major subsidiaries obtained through establishment or investment (Continued)

###### (ii) Overseas subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
18	CIMC REEFER TRAILER, INC. ("CRTI")	Business entity	USA	USA	Manufacture and services of road transportation vehicles	USD10	-	61.13%
19	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%	-
20	CIMC Refrigerated Trailer Co., Ltd. ("CRTC")	Business entity	USA	USA	Manufacture and services of road transportation vehicles	CAD1,000	-	61.13%
21	CIMC USA, INC. ("CIMC USA")	Business entity	USA	USA	Investment holding	USD10	-	61.13%
22	CIMC Vehicle Investment Holdings Co., Ltd. ("CIMC Vehicle (BVI)")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	USD50,000	-	61.13%
23	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transportation equipment	GBP100	-	61.13%
24	Dee Siam Manufacturing Co., Ltd. ("Thailand DS Factory")*	Business entity	Thailand	Thailand	Manufacture and services of road transportation vehicles	THB1,221,220,000	-	61.13%
25	CIMC Offshore Holdings Limited ("Offshore Holdings")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	HKD2,234,860,000 and USD50,510,000	-	85.00%

## NOTES TO THE FINANCIAL STATEMENTS

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### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

##### (1) Major subsidiaries obtained through establishment or investment (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
26	CIMC HOLDINGS (B.V.I.) LIMITED ("CIMC BVI")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	100.00%
27	Vanguard National Trailer Corporation ("Vanguard")	Business entity	USA	USA	Sales of vehicles	USD10	-	61.13%
28	CIMC-TianDa Holdings Company Limited ("TianDa Holding HK")	Business entity	UK	UK	Fire equipment business	HKD166,380,000	-	58.34%
29	Sound Winner Holdings Limited ("Sound Winner Holdings")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	67.59%
30	Win Score Investments Limited ("Win Score Investments")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	HKD10,000	-	67.59%

## NOTES TO THE FINANCIAL STATEMENTS

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### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through business combinations involving enterprises under common control

(3) Subsidiaries acquired through business combinations involving enterprises not under common control

(i) Domestic subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
1	Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture and sales of reefer container and special container; providing relevant technical advisory and maintenance service	RMB358,160,000	-	75.00%
2	Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture and repair of container, processing and manufacture relevant mechanical parts, structural parts and equipment	USD27,840,000	-	100.00%
3	Yantai CIMC Raffles offshore Ltd. ("CIMC Raffles")	Business entity	Yantai, Shandong	Yantai, Shandong	Construction of dock; design and production of ship; production and sales of pressure equipment and offshore oil platform	RMB7,512,070,000	-	80.04%
4	Haiyang CIMC Raffles Offshore Engineering Co. Ltd. ("Haiyang Raffles")	Business entity	Yantai, Shandong	Yantai, Shandong	Design, manufacturing, sales and repair of offshore engineering equipment and offshore oil drilling equipment	RMB560,000,000	-	80.04%
5	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	RMB566,020,000	-	61.13%
6	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. ("Hongtu Special Aircraft")	Business entity	Jingmen, Hubei	Jingmen, Hubei	Production and sales of refitting vehicles for civilian use, packaging and containers for hazardous chemicals	RMB300,000,000	-	60.83%

## NOTES TO THE FINANCIAL STATEMENTS

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### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

#### (3) Subsidiaries acquired through business combinations involving enterprises not under common control (Continued)

##### (i) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
7	Shijiazhuang Enric Gas Equipment Co., Ltd. ("Shijiazhuang Gas Equipment")	Business entity	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Manufacture and sales of pressure equipment	USD32,000,000	-	67.59%
8	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Zhangjiagang Sanctum Cryogenic Equipment Machinery")	Business entity	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales of LNG vehicles, LNG vehicle-mounted tanks and cryogenic equipment	RMB795,530,000	-	67.59%
9	Suzhou CIMC LiangCai Logistics Technology Co., Ltd. (i) ("CIMC LiangCai")	Business entity	Suzhou, Jiangsu	Suzhou, Jiangsu	Development, production, sales and leasing of logistics packaging products, handling equipment and related management consulting services	RMB53,690,000	-	36.88%

(i) The Group obtains control of the company through control of its parent company CIMC Transport Technology Co., Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

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### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

#### (3) Subsidiaries acquired through business combinations involving enterprises not under common control (Continued)

##### (ii) Overseas subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
10	CIMC Intermodal Equipment, LLC ("CIE") (Former name: Direct Chassis, LLC)	Business entity	USA	USA	Road transportation vehicle manufacturing and services	USD10,000,000	-	61.13%
11	CIMC RAFFLES OFFSHORE (SINGAPORE) PTE. LTD. ("Offshore (Singapore)")	Business entity	Singapore	Singapore	Production of various ships for offshore oil and gas, including jack-up drilling platforms and semi-submersible drilling platforms	SGD594,420,000 and USD453,930,000	-	85.00%
12	CIMC Enric Holdings Limited ("Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	-	67.60%
13	Ziemann Asia-Pacific Co. Ltd. ("Ziemann Asia-Pacific")	Business entity	Thailand	Thailand	Production, sales, design of liquid food equipment	THB18,000,000	-	67.59%
14	Ziemann Holvrieka Asia-Holding Co. Ltd.(i) ("Ziemann Asia-Holding")	Business entity	USA	USA	Production, sales, design of liquid food equipment	THB30,000	-	33.12%
15	Ziemann Holvrieka GmbH ("Ziemann Holvrieka GmbH")	Business entity	Germany	Germany	Production, sales, design of liquid food equipment	EUR16,000,000	-	67.59%
16	Ziemann Holvrieka Inc. ("Ziemann USA")	Business entity	USA	USA	Production, sales, design of liquid food equipment	USD1,500,000	-	67.59%

(i) The Group obtains control of the company through control of its parent company Ziemann Holvrieka GmbH.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

##### (4) Significant transactions with non-controlling interests in current period

- (i) During the period, CIMC Vehicles, a subsidiary of the Group, repurchased H shares from The Stock Exchange of Hong Kong Limited and delisted, and cancelled 143,475,580 H shares on 7 June 2024, as a result, the holding share of the Group increased from 56.78% to 61.13%. The repurchase and cancellation resulted in a reduction of minority shareholders' equity of RMB988,671,000 and a reduction of capital reserves of RMB23,574,000.

#### 2. Equity in joint ventures and associates

##### (1) Basic information of major joint ventures and associates

The Group identifies major joint ventures and associates by taking into account factors such as the proportion of their carrying amounts to the Group's consolidated total assets and the proportion of income from long-term equity investments under equity method to the Group's consolidated net profit, which are set out below:

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage - Direct	Shareholding percentage - Indirect
<b>Associates -</b>						
CIMC Industry & City	Shenzhen, Guangdong	Shenzhen, Guangdong	Real estate	Yes	-	34.44%-62.14%
CIMC CAPITAL Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Financing lease	No	-	45.43%
C&C Trucks	Wuhu, Anhui	Wuhu, Anhui	Research and development and manufacture of automobiles	No	35.42%	-

The equity mentioned above is measured by equity method.

##### (2) Excess deficit of joint ventures and associates

There was no excess deficit of joint ventures or associates in current period.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

There was no significant equity of the structured body not included in the consolidation scope of the consolidated financial statements in current period.

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Company does not have any holding parent company.
2. For the information on the subsidiaries of the Company, refer to Note VI.1.
3. For the information on the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the important joint ventures and associates disclosed in Note VI, the rest of joint ventures and associates are as follows:

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage - Direct	Shareholding percentage - Indirect
Joint ventures -						
Yantai Jinghai Ocean Fishery Co., Ltd. ("Yantai Jinghai")	Shandong	Shandong	Aquaculture, processing	No	-	42.11%
Tianzhu (Shanghai) International Freight Agency Co., Ltd. ("Tianzhu International")	Shanghai	Shanghai	International freight	No	-	18.81%
Dafei Lutong (Tianjin) Logistics Co., Ltd. ("Dafei Lutong (Tianjin)")	Tianjin	Tianjin	Road freight transportation	No	-	31.98%
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua (Tianjin)")	Tianjin	Tianjin	International freight	No	-	31.98%
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd. ("Qingdao Jiefeng")	Shandong	Shandong	Container services	No	-	21.94%

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. For the information on the joint ventures and associates of the Company, refer to Note VI.2. (Continued)

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage – Direct	Shareholding percentage – Indirect
Associates –						
Beijing Boxcool Exhibition Co., Ltd. (“Boxcool”)	Beijing	Beijing	Culture services	No	–	20.00%
‘K’Line Zhenhua Logistics (Tianjin) Co., Ltd. (“K’ Line Zhenhua (Tianjin)”)	Tianjin	Tianjin	Storage and logistics	No	–	31.98%
Dali Bohai Precious Metal Technology Co., Ltd. (“Dali Bohai”)	Yunnan	Yunnan	Metal technology	Yes	–	13.52%
Fujian Qingchen Bamboo Industry Co., Ltd. (“Qingchen Bamboo Industry”)	Fujian	Fujian	Bamboo industry	No	–	22.74%
Ocean En-Tech Ocean Energy Technology Holdings Limited (“Ocean En-Tech) (i)	Huston	Huston	Onshore and offshore drilling platform operations	Yes	–	6.05%
Nantong CIMC Yike New Material Development Co., Ltd. (“Yike New Material”)	Nantong	Nantong	Development of new material	No	–	35.00%
Sichuan Zhongyixinwei Energy Co., Ltd. (“Zhongyixinwei”)	Sichuan	Sichuan	Clean energy	No	–	13.95%
Xuzhou Lugang Shilianda Logistics Development Co., Ltd. (“Xuzhou Lugang Shilianda”)	Xuzhou	Xuzhou	International freight	No	–	20.58%
Qingdao Port Lianhua International Logistics Co., Ltd. (“Qingdao Port Lianhua”)	Qingdao	Qingdao	International freight	No	–	25.08%



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. For the information on the joint ventures and associates of the Company, refer to Note VI.2. (Continued)

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage - Direct	Shareholding percentage - Indirect
Tianzhu (Shanghai) International Freight Agency Co., Ltd. ("Tianzhu International")	Shanghai	Shanghai	International freight	No	-	18.81%
Yichuan Tianyun Clean Energy Co., Ltd. ("Yichuan Tianyun")	Shaanxi	Shaanxi	Clean energy	No	-	26.16%
Senju (Shanghai) International Trade Co., Ltd. ("Senju (Shanghai)")	Shanghai	Shanghai	International trade	No	-	17.03%
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	Ningbo	Ningbo	Container services	No	-	30.72%
OOS international	The Netherlands	The Netherlands	Offshore engineering investment	No	-	35.00%
Chengdu To Communication Equipment Co., Ltd. ("Chengdu To")	Sichuan	Sichuan	Communication services	No	-	20.00%

- (i) The Group's proportion of investments in Ocean En-Tech is relatively low, and such investments are both strategic holding investments. However, since the Group has appointed directors in the company, the Group believes that it can exert significant influence on the company. Therefore, the Group regards it as an associate for subsequent measurement based on the equity method.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. For the information on the joint ventures and associates of the Company, refer to Note VI.2. (Continued)

Company name	Connection relationship
SIPG and its subsidiaries	Non-controlling interests of subsidiaries of the Group
Suzhou International Train Freight Co., Ltd. ("International Train Freight")	Non-controlling interests of subsidiaries of the Group
Ningxia Yuanshan New Energy Group Co., Ltd. ("Ningxia Yuanshan")	Non-controlling interests of subsidiaries of the Group
China Merchants Port Group Co., Ltd. ("Merchants Port and its subsidiaries")	Subsidiary of the Group's significant shareholder
Shenzhen Capital and its subsidiaries	Subsidiary of the Group's significant shareholder
Sinotrans & CSC Holdings Co., Ltd. ("Sinotrans & CSC and its subsidiaries")	Subsidiary of the Group's significant shareholder
Liaoning Port Group Co., Ltd. ("Liaoning Port and its subsidiaries")	Subsidiary of the Group's significant shareholder
Sinotrans Container Lines Co., Ltd. ("Sinotrans Container Lines and its subsidiaries")	Subsidiary of the Group's significant shareholder
Shenzhen Huijin Intelligent Industry Co., Ltd. ("Huijin Intelligent and its subsidiaries")	Subsidiary of the Group's significant shareholder
China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. ("CMOEI and its subsidiaries")	Subsidiary of the Group's significant shareholder
China Merchants Shekou Industrial Zone Co., Ltd. ("China Merchants Shekou and its subsidiaries")	Subsidiary of the Group's significant shareholder

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements and followed the normal approval procedures for non-related party transactions.

##### (1) Purchase of goods and receiving of services

	January – June 2024	January – June 2023
– Purchase of goods		
Yichuan Tianyun	219,782	271,070
Qingchen Bamboo Industry	117,341	108,834
Zhejiang Tengjingshui	81,740	52,774
Yike New Material	25,593	40,361
Jiangsu Wanjing	5,903	1,526
Merchants Port and its subsidiaries	4,513	1,438
Boxcool	812	14,736
Other related parties	26,314	15,327
	<b>481,998</b>	<b>506,066</b>
– Receiving of services		
Sinotrans & CSC and its subsidiaries	584,082	329,083
SIPG and its subsidiaries	417,913	219,919
International Train Freight	33,003	95,971
Dafei Lutong (Tianjin)	18,698	19,808
Liaoning Port and its subsidiaries	9,160	5,965
Merchants Port and its subsidiaries	6,338	3,031
Shenzhen Financial Leasing and its subsidiaries	5,906	14,258
HuaSu Airport	3,121	334
CIMC Industry & City and its subsidiaries	516	177
Qingchen Bamboo Industry	–	14,532
Other related parties	55,155	54,643
	<b>1,133,892</b>	<b>757,721</b>

For the above transactions between the Group and related parties involving continuing connected transaction agreements with the Group, none of the actual transaction amounts for the period from 1 January to 30 June 2024 exceeded the upper limit of the amount agreed in the approved continuing connected transaction agreements.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Related party transactions (Continued)

##### (2) Sales of goods and rendering of services

	January – June 2024	January – June 2023
– Sales of goods		
Angang Yingkou	150,753	–
Shenzhen Financial Leasing and its subsidiaries	106,569	166,795
CMOEI and its subsidiaries	58,299	27,405
Sinotrans & CSC and its subsidiaries	10,102	55,004
Haiken Cold Chain	9,090	–
SIPG and its subsidiaries	8,510	2,961
CIMC Industry & City and its subsidiaries	8,126	828
Yantai Jinghai	592	41,767
Merchants Port and its subsidiaries	30	5
Other related parties	15,523	18,981
	<b>367,594</b>	<b>313,746</b>
– Rendering of services		
Sinotrans & CSC and its subsidiaries	153,685	84,107
International Train Freight	5,989	54,975
Tianzhu International	50,024	20,483
Dafei Lutong (Tianjin)	17,006	16,558
NKY Zhenhua (Tianjin)	10,527	12,379
SIPG and its subsidiaries	26,086	10,530
Ant Supply Chain	9,353	9,219
CIMC Industry & City and its subsidiaries	605	1,408
Liaoning Port and its subsidiaries	1,221	1,090
Xuzhou Lugang Shilianda	3,717	347
Guangzhu Railway Ltd	–	139
Other related parties	16,749	19,181
	<b>294,962</b>	<b>230,416</b>

For the above transactions between the Group and related parties involving continuing connected transaction agreements with the Group, none of the actual transaction amounts for the period from 1 January to 30 June 2024 exceeded the upper limit of the amount agreed in the approved continuing connected transaction agreements.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Related party transactions (Continued)

##### (3) Leasing

The short-term lease income recognised by the Group as the lessor in current year:

Lessee's name	Type of the leased asset	January – June 2024	January – June 2023
Ocean En-Tech	Jack-up drilling platform	94,889	94,894
Dafei Lutong (Tianjin)	Container yard, buildings, equipments	4,706	4,323
SIPG and its subsidiaries	Container yard	2,741	–
Other related parties	Container yard	44	361
		<b>102,380</b>	<b>100,634</b>

For the period from January to June 2024, the Group recognised no financial lease income as the lessor (for the period from 1 January to 30 June 2023: Nil).

The Group's increased right-of-use assets as lessee in current year:

Lessor's name	Type of the leased asset	January – June 2024	January – June 2023
China Merchants Shekou and its subsidiaries	Buildings	23,156	20,410
CIMC Industry & City and its subsidiaries	Buildings	–	20,284
SIPG and its subsidiaries	Buildings	–	150
		<b>23,156</b>	<b>40,844</b>

Interest expenses on lease liabilities assumed by the Group as the lessee:

Lessor's name	January – June 2024	January – June 2023
Shenzhen Financial Leasing and its subsidiaries	2,004	–
China Merchants Shekou and its subsidiaries	1,462	733
CIMC Industry & City and its subsidiaries	1,360	781
SIPG and its subsidiaries	1	3
Other related parties	3	–
	<b>4,830</b>	<b>1,517</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Related party transactions (Continued)

##### (3) Leasing (Continued)

Rental expenses for short-term leases and low-value leases for which the Group is the lessee is recognised directly in profit or loss:

<b>Lessor's name</b>	<b>January – June 2024</b>	January – June 2023
Merchants Port and its subsidiaries	2,558	1,723
China Merchants Shekou and its subsidiaries	1,895	–
Liaoning Port and its subsidiaries	180	163
CIMC Industry & City and its subsidiaries	156	103
SIPG and its subsidiaries	25	34
Sinotrans & CSC and its subsidiaries	30	–
Other related parties	117	472
	<b>4,961</b>	<b>2,495</b>

##### (4) Receivables arising from financing for related parties

Related parties	Opening balance	Increase in current period	Decrease in current period	Ending balance	Starting date	Ending date	Interest income/ expenses/ commission recognised
CIMC Industry & City and its subsidiaries	665,272	94,985	(20,597)	739,660	25 January 2022	22 December 2026	20,597
	1,014	–	–	1,014	27 March 2018	Repayment date not fixed	–
Ningxia Yuanshan	20,354	–	–	20,354	18 June 2021	Repayment date not fixed	–
'K' Line Zhenhua (Tianjin)	10,011	3,468	(4,670)	8,809	12 July 2023	12 May 2025	170
NKY Zhenhua (Tianjin)	6,064	129	(1,764)	4,429	29 September 2022	20 December 2025	132
	<u>702,715</u>			<u>774,266</u>			

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Related party transactions (Continued)

##### (4) Receivables arising from financing for related parties (Continued)

Related parties	Opening balance	Increase in current period	Decrease in current period	Ending balance	Interest paid	Interest and commission received
CIMC Industry & City and its subsidiaries	138,631	2,769,797	(2,849,516)	58,912	329	7
Shenzhen Financial Leasing and its subsidiaries	103,428	7,510,791	(7,447,641)	166,578	1,414	1
	<u>242,059</u>			<u>225,490</u>		

##### (5) Guarantee

The Group as the guarantor:

Guarantee	Guarantee balance	Starting date	Ending date	Whether the guarantee has been fulfilled
CIMC Industry & City and its subsidiaries	235,739	1 January 2024	7 January 2027	No
Shenzhen Financial Leasing and its subsidiaries	1,004,129	1 January 2024	4 August 2025	No
C&C Trucks	106,260	1 January 2024	3 January 2025	No

##### (6) Loans provided by the Group to key management personnel

As at 30 June 2024, the Group had no loans to key management personnel (31 December 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Balance of related parties

##### (1) Account receivables

As at 30 June 2024, account receivables from related parties were analysed as follows

Company name	30 June 2024			31 December 2023		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Ocean En-Tech	95,700	0.29%	–	47,220	0.21%	19
Sinotrans & CSC and its subsidiaries	49,797	0.15%	513	32,548	0.14%	13
CIMC Industry & City and its subsidiaries	32,815	0.10%	10	1,679	0.01%	1
Yantai Jinghai	21,375	0.06%	–	28,882	0.13%	12
Tianzhu International	19,682	0.06%	197	–	0.00%	–
SIPG and its subsidiaries	17,065	0.05%	265	7,991	0.03%	3
Shenzhen Financial Leasing and its subsidiaries	9,114	0.03%	–	13,964	0.06%	6
C&C Trucks	8,843	0.03%	–	–	0.00%	–
Dafei Lutong (Tianjin)	7,001	0.02%	70	–	0.00%	–
NKY Zhenhua (Tianjin)	6,914	0.02%	69	–	0.00%	–
Shenzhen Capital and its subsidiaries	2,099	0.01%	–	6,241	0.03%	2
Dali Bohai	1,908	0.01%	–	43,816	0.19%	18
Liaoning Port Co., Ltd. and its subsidiaries	201	0.00%	2	108	0.00%	–
CMOEI and its subsidiaries	8,158	0.02%	–	4,658	0.02%	2
Merchants Port and its subsidiaries	12	0.00%	–	184	0.00%	–
Sinotrans Container Lines and its subsidiaries	11	0.00%	–	3	0.00%	–
Huijin Intelligent and its subsidiaries	3	0.00%	–	23	0.00%	–
Other related parties	31,516	0.09%	178	61,740	0.27%	25
	<b>312,214</b>	<b>0.94%</b>	<b>1,304</b>	<b>249,057</b>	<b>1.08%</b>	<b>101</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Balance of related parties (Continued)

##### (2) Other receivables

As at 30 June 2024, other receivables from related parties were analysed as follows

Company name	30 June 2024				31 December 2023			
	Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
CIMC Industry & City and its subsidiaries	740,674	Receivables arising from financing for related parties	14.24%	18,492	666,286	Receivables arising from financing for related parties	14.58%	18,076
CIMC Industry & City and its subsidiaries	372,257	Daily transfer	7.16%	1,218	133,731	Daily transfer	2.93%	915
Ningxia Yuanshan	20,354	Receivables arising from financing for related parties	0.39%	20,354	20,354	Receivables arising from financing for related parties	0.45%	13,376
OOS International	-	-	-	-	15,038	Daily transfer	0.33%	-
'K' Line Zhenhua (Tianjin)	8,809	Receivables arising from financing for related parties	0.17%	-	10,011	Receivables arising from financing for related parties	0.22%	-
Dafei Lutong (Tianjin)	5,260	Daily transfer	0.10%	263	1,656	Daily transfer	0.00%	-
Sinotrans & CSC and its subsidiaries	4,534	Daily transfer	0.09%	131	4,555	Daily transfer	0.10%	-
NKY Zhenhua (Tianjin)	4,429	Receivables arising from financing for related parties	0.09%	-	6,064	Receivables arising from financing for related parties	0.13%	-
C&C Trucks and its subsidiaries	3,649	Daily transfer	0.07%	12	3,500	Daily transfer	-	-
SIPG and its subsidiaries	2,908	Daily transfer	0.06%	146	2,948	Daily transfer	0.06%	-
Merchants Port and its subsidiaries	1,678	Daily transfer	0.03%	84	2,793	Daily transfer	0.06%	-
Liaoning Port and its subsidiaries	1,352	Daily transfer	0.03%	67	2,419	Daily transfer	0.05%	-
Shenzhen Financial Leasing and its subsidiaries	-	Daily transfer	-	-	300	Daily transfer	0.01%	-
Sinotrans Container Lines and its subsidiaries	-	Daily transfer	-	-	225	Daily transfer	-	-
CMOEI and its subsidiaries	-	-	-	-	150	Daily transfer	-	-
Other related parties	12,258	Daily transfer	0.24%	268	8,820	Daily transfer	0.33%	-
	<b>1,178,162</b>		<b>22.65%</b>	<b>41,035</b>	<b>878,850</b>		<b>19.25%</b>	<b>32,367</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Balance of related parties (Continued)

##### (3) Advances to suppliers

Advances to related parties are analysed as follows:

Company name	30 June 2024			31 December 2023		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Sinotrans & CSC and its subsidiaries	10,551	0.12%	-	1,768	-	-
Shenzhen Financial Leasing and its subsidiaries	9,758	0.11%	-	18,727	0.22%	-
Merchants Port and its subsidiaries	5,915	0.07%	-	872	0.01%	-
SIPG and its subsidiaries	1,033	0.01%	-	1,425	0.02%	-
CIMC Industry & City and its subsidiaries	58	0.00%	-	2,191	0.03%	-
Liaoning Port and its subsidiaries	12	0.00%	-	11	-	-
International Train Freight	-	0.00%	-	1,843	0.02%	-
Sinotrans Container Lines and its subsidiaries	-	0.00%	-	6	-	-
Other related parties	38,331	0.44%	-	15,384	0.42%	-
	65,658	0.76%	-	42,227	0.72%	-

##### (4) Long-term receivables

As at 30 June 2024, the Group had no Long-term receivables from related parties (31 December 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Balance of related parties (Continued)

##### (5) Account payables

As at 30 June 2024, account payables owed to related parties were as follows:

Company name	30 June 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Sinotrans & CSC and its subsidiaries	94,978	0.37%	72,334	0.36%
Qingchen Bamboo Industry	35,763	0.14%	15,031	0.07%
Yike New Material	22,515	0.09%	16,916	0.08%
SIPG and its subsidiaries	7,619	0.03%	61,298	0.30%
Merchants Port and its subsidiaries	5,590	0.02%	1,073	0.01%
Shenzhen Financial Leasing and its subsidiaries	649	0.00%	10,009	0.05%
Liaoning Port and its subsidiaries	–	–	872	–
CMOEI and its subsidiaries	–	–	424	–
Sinotrans Container Lines and its subsidiaries	–	–	17	–
CIMC Industry & City and its subsidiaries	789	0.00%	14	–
Other related parties	24,251	0.09%	24,665	0.12%
	<b>192,154</b>	<b>0.75%</b>	<b>202,653</b>	<b>0.99%</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Balance of related parties (Continued)

##### (6) Other payables

Company name	30 June 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Shenzhen Financial Leasing and its subsidiaries	260,839	3.11%	94,332	1.48%
CIMC Industry & City and its subsidiaries	45,456	0.54%	3,843	0.06%
Guoke Yunji Chanrong Development (Shenzhen) Co., Ltd.	16,056	0.19%	–	–
C&C Trucks and its subsidiaries	6,094	0.07%	–	–
OOS INTERNATIONAL B.V.	5,661	0.07%	19,545	0.31%
'K' Line Zhenhua (Tianjin)	5,241	0.06%	–	–
China Merchants Shekou and its subsidiaries	5,134	0.06%	3,626	0.06%
SIPG and its subsidiaries	3,153	0.04%	2,984	0.05%
Ningbo Mediterranean	2,716	0.03%	–	–
Sinotrans & CSC and its subsidiaries	1,504	0.02%	1,892	0.03%
Chengdu To	1,290	0.02%	1,250	0.02%
Yike New Material	805	0.01%	–	–
Merchants Port and its subsidiaries	688	0.01%	187	0.00%
Liaoning Port and its subsidiaries	179	0.00%	169	0.00%
NKY Zhenhua (Tianjin)	54	0.00%	–	–
Other related parties	2,080	0.02%	11,968	0.19%
	<b>356,950</b>	<b>4.26%</b>	<b>139,796</b>	<b>2.20%</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Balance of related parties (Continued)

##### (7) Contract liabilities

As at 30 June 2024, contract liabilities owed to related parties were as follows:

Company name	30 June 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
CMOEI and its subsidiaries	71,790	0.47%	81,050	0.62%
Shenzhen Financial Leasing and its subsidiaries	69,634	0.46%	129,736	0.99%
SIPG and its subsidiaries	666	0.00%	3,950	0.03%
CIMC Industry & City and its subsidiaries	446	0.00%	1,237	0.01%
C&C Trucks	95	0.00%	–	–
Sinotrans & CSC and its subsidiaries	85	0.00%	52,660	0.40%
Liaoning Port and its subsidiaries	13	0.00%	196	–
Shenzhen Capital and its subsidiaries	–	0.00%	758	0.01%
Merchants Port and its subsidiaries	–	0.00%	240	–
Other related parties	11,273	0.07%	14,111	2.13%
	<b>154,002</b>	<b>1.01%</b>	<b>283,938</b>	<b>4.19%</b>

#### 6. Commitments of related parties

As at 30 June 2024, there were no commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 7. Benefits and significant interests of directors and senior management personnel

- (1) Share options and shares are granted to some key management personnel under share option plan, restricted share incentive plan, CIMC Safe Tech Award Scheme and CLPT Award Scheme of Enric (the Company' subsidiary) and share incentive plan of CIMC TianDa (the Company' subsidiary). As at 30 June 2024, the number and proportion of outstanding share options and shares in the corresponding company were as follows:

Name	Position	Enric and its subsidiaries								CIMC TianDa	
		Share option plan		Restricted share incentive plan		CIMC Safe Tech Award Scheme		CLPT Award Scheme		Share incentive plan	
		Number (10 thousand)	%	Number (10 thousand)	%	Number (10 thousand)	%	Number (10 thousand)	%	Number (10 thousand)	%
Gao Xiang	Chairman	100.00	0.05%	120.00	0.06%	170.00	0.33%	433.33	0.59%	-	-
Yu Yuqun	Vice Chairman	45.00	0.02%	80.00	0.04%	68.00	0.13%	-	-	9.40	0.02%
Zeng Han	Senior management personnel	45.00	0.02%	60.00	0.03%	68.00	0.13%	72.22	0.10%	9.40	0.02%
Li Yinhui	Senior management personnel	-	-	-	-	-	-	-	-	18.80	0.05%
Total		190.00	0.09%	260.00	0.13%	306.00	0.59%	505.55	0.69%	37.60	0.09%

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 7. Benefits and significant interests of directors and senior management personnel (Continued)

##### (2) Emoluments of the directors, supervisors and senior management personnel of the Company

Emoluments of the directors, supervisors and senior management personnel for the period from 1 January to 30 June 2024 were 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	31	-	196	2,027
Hu Xianfu	-	-	-	-	-	-
Zhu Zhiqiang	-	-	-	-	-	-
Sun Huirong	-	-	-	-	-	-
Deng Weidong	-	-	-	-	-	-
Zhao Feng	120	-	-	-	-	120
Yang Xiong	120	-	-	-	-	120
Zhang Guanghua	120	-	-	-	-	120
Lui Fung Mei Yee, Mabel	120	-	-	-	-	120
Sub-total	480	1,800	31	-	196	2,507

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors –						
Shi Lan	-	-	-	-	-	-
Lin Changsen	-	-	-	-	-	-
Ma Tianfei	-	450	71	1,007	22	1,550
Sub-total	-	450	71	1,007	22	1,550

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Benefits and significant interests of directors and senior management personnel (Continued)
- (2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)

Emoluments of the directors, supervisors and senior management personnel for the period from 1 January to 30 June 2024 were as follows: (continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Other senior management personnel –						
Gao Xiang	–	1,083	83	–	22	1,188
Li Yinhui	–	831	82	–	22	935
Huang Tianhua	–	831	36	–	–	867
Yu Yuqun	–	828	44	–	22	894
Zeng Han	–	723	83	–	22	828
Wu Sanqiang	–	606	83	–	22	711
Sub-total	–	4,902	411	–	110	5,423
Total	480	7,152	513	1,007	328	9,480

Other benefits mainly consist of housing funds, pensions, medical insurance, etc.



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 7. Benefits and significant interests of directors and senior management personnel (Continued)

#### (2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)

Emoluments of the directors, supervisors and senior management personnel for the period from 1 January to 30 June 2023 were 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	48	–	196	2,044
Hu Xianfu	–	–	–	–	–	–
Zhu Zhiqiang	–	–	–	–	–	–
Sun Huirong	–	–	–	–	–	–
Deng Weidong	–	–	–	–	–	–
Yang Xiong	120	–	–	–	–	120
Zhang Guanghua	120	–	–	–	–	120
Lui Fung Mei Yee, Mabel	120	–	–	–	–	120
Sub-total	360	1,800	48	–	196	2,404

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Benefits and significant interests of directors and senior management personnel (Continued)
- (2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)

Emoluments of the directors, supervisors and senior management personnel for the period from 1 January to 30 June 2023 were as follows: (continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors –						
Shi Lan		-	-	-	-	-
Lin Changsen	Note (i)	-	-	-	-	-
Lou Dongyang	Note (ii)	-	-	-	-	-
Ma Tianfei		-	420	65	-	21
Sub-total		-	420	65	-	21

Note (i): On 16 March 2023, Mr. Lin Changsen was re-elected as a supervisor representing the Shareholders in the tenth Board of Supervisors according to the resolution of the first extraordinary general meeting of the Company in 2023.

Note (ii): On 16 March 2023, Mr. Lou Dongyang ceased to act as a supervisor representing the shareholders of the Company due to job change.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 7. Benefits and significant interests of directors and senior management personnel (Continued)

#### (2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)

Emoluments of the directors, supervisors and senior management personnel for the period from 1 January to 30 June 2023 were as follows: (continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Other senior management personnel –						
Gao Xiang	-	1,083	82	-	21	1,186
Li Yinhui	-	1,322	81	-	21	1,424
Huang Tianhua	-	831	82	-	21	934
Yu Yuqun	-	849	48	-	21	918
Zeng Han	-	723	82	-	21	826
Wu Sanqiang	-	606	82	-	21	709
Sub-total	-	5,414	457	-	126	5,997
Total	360	7,634	570	-	343	8,907

Other benefits mainly consist of housing funds, pensions, medical insurance, etc.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 7. Benefits and significant interests of directors and senior management personnel (Continued)

##### (3) Termination benefits for directors

For the period from 1 January to 30 June 2024, there was no compensation for directors with terminated appointment from the Company and the subsidiaries (for the period from 1 January to 30 June 2023: Nil).

##### (4) Consideration paid to third parties for service of directors

For the period from 1 January to 30 June 2024, there was no consideration paid to third parties for service of directors (for the period from 1 January to 30 June 2023: Nil).

##### (5) Loans, quasi-loans offered to and other transactions with directors, legal entities controlled by directors and their related persons

As at 30 June 2024, there were no loans, quasi-loans offered to and other transactions with directors, legal entities controlled by directors and their related persons (31 December 2023: Nil).

##### (6) Guarantees for loans of directors, legal entities controlled by directors and their related persons

As at 30 June 2024, there were no guarantees for loans of directors, legal entities controlled by directors and their related persons (2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 7. Benefits and significant interests of directors and senior management personnel (Continued)

##### (7) Significant interest of directors in transactions, arrangement and contracts

For the period from 1 January to 30 June 2024, 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 2023: Nil).

### IX. SHARE-BASED PAYMENTS

#### 1. Summary of the Group's major share-based payments

Expenses recognised for the year arising from share-based payments are as follows:

	<b>For the period From 1 January to 30 June 2024</b>	For the period From 1 January to 30 June 2023
Equity-settled share-based payments	<b>83,659</b>	77,030

#### 2. Information on equity-settled share-based payments

##### (1) Information on equity-settled share-based payments of Enric

###### (a) Share option plan

Enric carried out another share option plan ("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 senior management personnel and other employees of Enric to subscribe for shares of Enric. And the Granter shall pay a consideration of HKD 1 when granting share 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 11 July 2016. Enric adopts a new share option plan ("Plan II") from 12 July 2016. The validity period of Plan II is 10 years. As at 30 June 2024, a total of 39,500,000 share options were granted under Plan II.

On 21 November 2023, Enric granted 39,500,000 share options. The options granted will be exercised at 33.3%, 33.3% and 33.4% on 31 March 2025, 31 March 2026 and 31 March 2027 respectively, if the vesting conditions are met.

As at 30 June 2024, the exercise price of the outstanding options was HKD 11.24 (31 December 2023: HKD 8.81) and the weighted average remaining contractual life was 9.40 years (31 December 2023: 5.92 years). Expenses arising from the share option plan recognised for the period from 1 January to 30 June 2024 amounted to RMB20,644,000 (for the period from 1 January to 30 June 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### IX. SHARE-BASED PAYMENTS (CONTINUED)

#### 2. Information on equity-settled share-based payments (Continued)

##### (1) Information on equity-settled share-based payment of Enric (Continued)

###### (b) Share award scheme (2020)

The Board of Directors of Enric adopted the Share Award Scheme (2020) ("2020 Award Scheme") on 3 April 2020. According to the 2020 Award Scheme, the Board of Directors of Enric has the sole discretion to select any Enric employee as a qualified participant of the scheme. The Board of Directors of Enric 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. The Board of Directors of Enric 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 at 30 June 2024, the trustee had purchased 39,898,000 shares of Enric according to the 2020 Award Scheme (31 December 2023: 39,198,000 shares).

In 2023, a total of 2,544,730 shares were granted to selected participants under the 2020 Award Scheme. The shares are held by the trustee on behalf of the selected participants until the grant shares are exercised. Selected participants are entitled to the related distribution derived from the relevant grant shares during the period from the date of the issue of the grant shares to the exercise date (both dates inclusive) of the grant shares.

The selected participants include certain directors, certain members of senior management and employees of Enric who under the terms of the 2020 Award Scheme subscribed for the restricted shares at HKD 3.70 per share.

For shares granted on 7 December 2022, if the vesting conditions are fulfilled, the grant shares shall be exercised at 72.1% and 27.9% by April 2023 and April 2024, respectively. For shares granted on 13 November 2023, if the vesting conditions are fulfilled, the grant shares shall be exercised at 3.97% and 96.03% by April 2024 and April 2025, respectively. For participants who do not meet the exercise conditions, the remaining unexercised shares at the end of the 2020 Award Scheme will be forfeited.

The fair value of the awarded shares 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 waiting period were taken into account when assessing the fair value of the awarded shares.

The fair value of awarded shares granted on 7 December 2022 and 13 November 2023 was HKD 3.33 (equivalent to approximately RMB2.98) per share and HKD 8.81 (equivalent to approximately RMB5.92) per share, respectively. Expenses arising from share-based payments recognised for the period from 1 January to 30 June 2024 under the 2020 Award Scheme were RMB9,133,000 (for the period from 1 January to 30 June 2023: RMB14,243,000).

## NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in RMB'000 unless otherwise stated)

### IX. SHARE-BASED PAYMENTS (CONTINUED)

#### 2. Information on equity-settled share-based payments (Continued)

##### (1) Information on equity-settled share-based payment of Enric (Continued)

- (c) On 27 November 2020, the Board of Directors of Enric adopted the CIMC Safe Tech Award Scheme, an equity incentive plan of a subsidiary CIMC Safe Tech, for the recognition of the past and present contributions of incentive recipients to the Chemicals and Environment business segment, motivating them to keep contributing in the future. Equity of CIMC Safe Tech will be distributed to the incentive recipients through a Partnership Platform upon completion of the increase of share capital of CIMC Safe Tech pursuant to the scheme. The total capital contribution made by the participants (through the Partnership Platforms) of the CIMC Safe Tech Award Scheme was approximately RMB97,134,000 (2023: RMB97,134,000), representing 10% of the enlarged share capital of CIMC Safe Tech. As at 30 June 2024, there was still a waiting period. Expenses arising from share-based payments recognised for the period from 1 January to 30 June 2024 under the scheme were RMB9,972,000 (for the period from 1 January to 30 June 2023: RMB9,972,000).
- (d) On 8 June 2022, the Board of Directors of Enric adopted the CLPT Award Scheme, an equity incentive plan of a subsidiary CIMC Liquid Process Technologies Co., Ltd. ("CLPT"), for the recognition of the past and present contributions of incentive recipients to the Liquid Food business segment. Equity of CLPT will be distributed to the incentive recipients through a Partnership Platform upon completion of the increase of share capital of CLPT pursuant to the scheme. The total capital contribution made by the participants (through the Partnership Platforms) of the CLPT Award Scheme was approximately RMB82,934,000, representing 6.33% of the enlarged share capital of CLPT. As at 30 June 2024, there was still a waiting period. Expenses arising from share-based payments recognised for the period from 1 January to 30 June 2024 under the scheme were RMB38,681,000 (for the period from 1 January to 30 June 2023: RMB11,404,000).

##### (2) Information on equity-settled share-based payments 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 RMB9.40 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 Trade Union to the employees of Tianda Airport as a reward in batches on an annual basis. The waiting period of the restricted share incentive plan of CIMC Tianda participated by these employees is 5 years. CIMC Tianda determines the fair value of the restricted shares 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.

## NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in RMB'000 unless otherwise stated)

### IX. SHARE-BASED PAYMENTS (CONTINUED)

#### 2. Information on equity-settled share-based payments (Continued)

##### (3) Information on equity-settled share-based payments of CIMC Wetrans Logistics

In 2020, pursuant to the Core Employee Stock Ownership Plan of CIMC Wetrans Logistics Technology (Group) Co., Ltd., a shareholding platform was established, through which the employees eligible for the incentive were granted incentive shares. In 2023, the difference between the consideration of the equity granted to eligible employees through the shareholding platform within CIMC Wetrans Logistics Technology (Group) Co., Ltd. and the fair value of the net assets shared by the granted equity was recognised in general and administrative expenses and capital reserve.

##### (4) Information on equity-settled share-based payments of CIMC Transport Technology

In 2022, a subsidiary of the Group, CIMC Transport Technology Co., Ltd., using Ningbo Bochuang Xingxu Enterprise Management Partnership (Limited Partnership) as an employee shareholding platform, granted incentive equity to employees that met the incentive conditions by transferring the property share of the employee's shareholding platform company. The difference between the consideration for the equity obtained by the employees and the fair value of the net assets corresponding to this part of the equity was recognised in general and administrative expenses and capital reserve by CIMC Transport Technology Co., Ltd.

#### 3. Summary of share-based payments in current period

As at 30 June 2024, accumulated amount recognised in capital reserve for share-based payments		<b>653,753</b>
	<b>For the period From 1 January to 30 June 2024</b>	For the period From 1 January to 30 June 2023
<b>Total expenses recognised for share-based payments</b>	<b>83,659</b>	<b>77,030</b>
Including:		
– attributed to Enric	<b>78,430</b>	71,698
– attributed to CIMC Tianda	<b>5,229</b>	5,332
	<b>83,659</b>	<b>77,030</b>



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### X. CONTINGENCIES

#### 1. Guarantees provided for external parties

CIMC Vehicles, a subsidiary of the Group, engages in the vehicle purchase credit business and enters into credit guarantee agreements with China Merchants Bank and Industrial Bank to provide credit guarantees for the financing provided by the respective banks to the Group's and its holding subsidiaries' distributors and customers for the purchase of vehicle products. As at 30 June 2024, the aggregate amount of credit facilities in respect of which the Group and its holding subsidiaries provided guarantees to the distributors and customers was RMB195,572,000 (31 December 2023: RMB445,985,000). The Group expected that there was no significant increase in credit risk of such guarantee since initial recognition, and recognised the 12-month ECL (Note IV.36).

The Company entered into a guarantee agreement with the Export-Import Bank of China Anhui Branch to provide guarantees for the loans of the associate C&C Truck and its subsidiaries. As at 30 June 2024, the amount guaranteed by the Company was RMB129,150,000 (31 December 2023: RMB106,260,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Group's subsidiary, Shanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd., cooperated with Shanxi Xianyang Qindu Rural Commercial Bank, in mortgage credit cooperation. It signed a housing loan guarantee contract, which provides a phased guarantee for loans granted by the relevant bank to the company's customers for the purchase of properties. As at 30 June 2024, the customer financing loans provided by the Shanxi Vehicle Industrial Park were approximately RMB5,518,000 (31 December 2023: RMB7,050,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Company entered into guarantee agreements with relevant banks to provide guarantees for the loans of CIMC Industry & City and its subsidiaries. As at 30 June 2024, the loans guaranteed by the Company amounted to RMB235,739,000 (31 December 2023: RMB244,549,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

Holding subsidiaries of Enric signed guarantee contracts with China Everbright Bank ("CEB") to provide credit guarantees for loans to Yichuan Tianyun Clean Energy Co., Ltd. via relevant banks. As at 30 June 2024, the loans provided by holding subsidiaries of Enric were RMB51,829,000 (31 December 2023: RMB54,964,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Company and its subsidiaries entered into guarantee agreements with relevant banks to provide guarantees for the loans of CIMC CAPITAL and its subsidiaries. As at 30 June 2024, the amount guaranteed by the Company and its subsidiaries was RMB1,004,129,000 (31 December 2023: RMB1,032,828,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### X. CONTINGENCIES (CONTINUED)

#### 2. Major litigation matters

CIMC Group's head office and its subsidiary Dalian CIMC Logistics Equipment Co., Ltd. and other seven entities (collectively referred to as "the Defendants") have received litigation materials served by the Singapore High Court since 7 July 2023. Goodpack IBC (Singapore) PTE. Ltd and Goodpack PTE. Ltd (collectively referred to as "the Plaintiffs") claimed that the Defendants, in entering into the IBC (Intermediate Bulk Container) leasing business of the rubber industry, were suspected of "copying the Plaintiffs' products, the invention and utility model patents applied for in China involving the Plaintiffs' technology and confidential information, and misappropriating the Plaintiffs' intellectual property and technology". The Plaintiffs alleged breach of confidentiality, conspiracy to infringe and unjust enrichment and sought damages of USD 9,856,200. The Plaintiffs sought an order enjoining the Defendants from manufacturing and recalling all infringing IBC cases and paying the profits obtained from the infringement. The Plaintiffs also claimed that the Defendants were jointly liable. Subsequently, Goodpack IBC (Singapore) PTE. Ltd filed an arbitration with the Singapore International Arbitration Centre ("SIAC") on 2 February 2024 against the Company's subsidiaries, Dalian CIMC Special Logistics Equipment Co., Ltd. and Dalian CIMC Logistics Equipment Co., Ltd. (collectively referred to as "the Respondents"), claiming that the Respondents violated the confidentiality, non-competition and intellectual property provisions of the relevant agreements and appendices. It sought judgment against the Respondents for breach of contract and damages in the amount of USD 19,813,700. It also sought an order enjoining the Respondents from manufacturing and recalling all infringing IBC cases and paying the profits obtained from the infringement. It claimed that the Respondents were jointly liable. As at the date when the financial statements were authorised for issue, the first instance of the above cases has not been heard and is in a state of suspension; The arbitral tribunal for the above-mentioned arbitration has just been formed and has yet to be heard. The Group has engaged external legal counsel for the above case. However, as the relevant legal proceedings are at an early stage, as at the date when the financial statements were authorised for issue, management believes that there is uncertainty as to the timing and outcome of their conclusion, and the Group is unable to reliably estimate the amount of the liabilities (if any) that may arise. Accordingly, the litigation constitutes a contingent liability matter for the Group. The Group has not accrued provisions for the litigation in the financial statements, and it is not possible at this stage to estimate the possible future impact on the Group's financial statements.

On 13 December 2023, Weihai Guangtai Airport Equipment Co., Ltd. ("Weihai Guangtai") issued a Letter of Notification on Patent Infringement to CIMC Tianda and its subsidiary Tianda Airport, and filed five patent infringement lawsuits against Tianda Airport as a defendant. Weihai Guangtai requested the Shenzhen Intermediate People's Court to judge Shenzhen Tianda Airport to stop manufacturing, selling and promising to sell the infringing products in question, and to compensate Weihai Guangtai for infringement damages totalling RMB150 million.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### X. CONTINGENCIES (CONTINUED)

#### 2. Major litigation matters (Continued)

On 16 January 2024, the Shenzhen Intermediate People's Court had filed the above five patent infringement lawsuits. The Group engaged an intellectual property attorney to conduct an assessment and issue a patent infringement analysis report. According to the patent infringement analysis report, the allegedly infringing products did not infringe the patent rights of the five patents claimed to be infringed by Weihai Guangtai, and management assessed that the likelihood of the expected outflow of economic benefits from the relevant litigation was low. Meanwhile, as at the date when the financial statements were authorised for issue, the Group had not yet received any summons from the court and the litigation was still at an early stage of trial.

There are a number of pending litigations to which the Group is a defendant. Except for the litigation matters mentioned above, the related litigation is in the early stages of trial, the outcome of the trial is subject to a high degree of uncertainty and cannot be measured reliably, or the likelihood of the expected outflow of economic benefits from the relevant litigation is extremely low.

#### 3. Outstanding letter of credit issued and outstanding performance guarantees issued

The Group does not recognise letter of credit issued as deposits. As at 30 June 2024, the Group had outstanding letters of credit issued of RMB670,946,000 (31 December 2023: RMB1,216,742,000).

As at 30 June 2024, the Company had outstanding balance of bank guarantees for the subsidiaries of the Group of RMB62,146,000, USD 1,129,715,000 (equivalent to RMB8,196,552,000), GBP 945,000 (equivalent to RMB8,672,000) and EUR 12,055,000 (equivalent to RMB93,658,000) respectively, totalling RMB8,361,028,000 (31 December 2023: RMB8,982,283,000).

As at 30 June 2024, the amount of the unexpired letter of guarantee of the Group's subsidiary issued by the bank was RMB11,717,063,000, of which the balance of the advance payment guarantee was RMB2,847,992,000, and the balance of the quality (including foreign-related) guarantee was RMB333,469,000. The balance of non-financing guarantees was RMB1,101,793,000, and the balance of performance guarantees was RMB7,433,809,000 (31 December 2023: RMB5,666,192,000).

## NOTES TO THE FINANCIAL STATEMENTS

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### XI. COMMITMENTS

#### 1. Capital commitments

- (1) Except for the events described in Note IV.16(2)(iii), the Group's capital expenditures contracted for but not yet necessary to be recognised on the balance sheet are summarised as follows:

	30 June 2024	31 December 2023
Foreign investment contract	–	5,000
Fixed assets purchase and construction contract	581,744	69,375
	<b>581,744</b>	<b>74,375</b>

### XII. DISCONTINUED OPERATIONS

For the period from 1 January to 30 June 2024, the Group had no discontinued operation.

### XIII. EVENTS AFTER THE BALANCE SHEET DATE

As disclosed in this report, the Group has no significant events after the balance sheet date.

### XIV. OPERATING LEASE RECEIPTS AFTER THE BALANCE SHEET DATE

As the lessor, the Group's undiscounted amount of lease receipts receivable after the balance sheet date is summarised as follows:

	30 June 2024	31 December 2023
Within 1 year	1,561,358	2,308,322
1 to 2 years	904,520	1,390,268
2 to 3 years	564,500	880,767
3 to 4 years	94,013	332,166
4 to 5 years	41,022	153,826
Over 5 years	42,704	19,949
	<b>3,208,117</b>	<b>5,085,298</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## XV. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, eight reportable segments are identified by the Group including: containers 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 unit 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 strategy are adopted. The Group reviews the financial information of individual segment regularly to determine resources allocation and performance assessment.

### 1. Segment profits, losses, assets and liabilities

In order to assess the segment performance and resources allocation, the Group's management review segment assets, liabilities, revenue, expenses and financial performance of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include tangible assets, intangible assets, other long-term assets and receivables, etc, but exclude deferred tax assets and other un-allocated headquarter assets. Segment liabilities include payables, bank borrowings, provision and other liabilities, while deferred tax liabilities are excluded.

Segment profit represents revenue (including revenue from external customers and inter-segment revenue), offsetting segment expenses, depreciation and amortisation, impairment losses incurred on assets attributable to each segment, and net interest expense on bank deposits and bank borrowings directly attributable to individual segment. Transactions conducted among segments are under normal non-related party transaction commercial terms.

## NOTES TO THE FINANCIAL STATEMENTS

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### XV. SEGMENT REPORTING (CONTINUED)

#### 1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that 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 management of the Group on a regular basis:

Item	Containers	Road	Energy,	Offshore	Airport	Logistics	Finance	Unit load	Others	Elimination	Total
	manufacturing	transportation	chemical and	engineering	facilities and	services	and asset			between	
	1 January to	1 January to	liquid food	1 January to	fire safety	1 January to	management	1 January to	1 January to	segments	1 January to
	30 June 2024	30 June 2024	equipment	30 June 2024	equipment	30 June 2024	30 June 2024	30 June 2024	30 June 2024	30 June 2024	30 June 2024
Revenue from external customers	24,617,885	10,606,775	12,105,851	7,778,697	2,386,547	14,004,007	1,155,510	1,195,563	5,264,208	-	79,115,043
Inter-segment revenue	331,641	92,894	15,004	5,017	16,613	84,824	245	1,582	640,553	(1,188,373)	-
Cost of sales	21,906,849	9,104,651	10,520,215	7,395,139	1,909,446	13,211,699	1,053,340	1,052,918	5,439,810	(965,251)	70,628,816
Investment income/(loss) in associates and joint ventures	(5,624)	(1,600)	(3,617)	(8,473)	35	33,804	-	429	106,253	-	121,207
Asset impairment losses and credit impairment losses	(1,714)	7,525	31,837	(11)	(654)	34,641	-	3,367	2,321	(705)	76,607
Depreciation and amortisation expenses	410,097	305,914	450,401	182,321	71,449	98,098	540,806	74,133	18,103	(247,675)	1,903,647
Interest income	123,936	79,425	102,303	3,865	5,864	4,861	141,952	1,835	1,130,293	(1,366,643)	227,691
Interest expenses	20,031	11,751	58,823	267,977	38,448	37,277	931,699	11,972	1,043,301	(1,366,444)	1,054,835
Segment operating profit/(loss)	1,604,522	750,272	385,872	(81,730)	40,457	267,015	(824,465)	(42,629)	(852,257)	968,799	2,215,856
Income tax expenses	328,476	176,285	144,291	2,601	3,821	62,640	51,384	6,610	16,597	28,221	820,926
Net profit/(loss)	1,276,046	573,987	241,581	(84,331)	36,636	204,375	(875,849)	(49,239)	(868,854)	940,578	1,394,930
Segment total assets	39,716,400	24,095,006	30,504,707	18,825,452	9,453,971	9,111,171	39,913,789	3,762,996	64,390,155	(60,661,688)	179,111,959
Segment total liabilities	21,781,919	9,325,261	18,357,272	22,343,611	6,022,216	6,316,444	47,353,918	1,842,209	52,364,569	(72,783,580)	112,923,839
Supplementary information:											
- Segment non-cash (income)/expenditures other than depreciation and amortisation	(77,249)	2,199	31,085	(92,199)	(14,240)	28,052	216,394	6,565	1,268,265	(1,422,343)	(53,471)
- Long-term equity investment of associates and joint ventures	665,307	133,338	654,428	475,644	122	579,057	114,289	4,566	9,644,372	-	12,271,123
- Increase in other non-current assets other than long-term equity investments, financial assets and deferred tax assets	866,263	291,032	717,118	113,553	88,255	51,178	128,459	98,124	25,347	(203,830)	2,175,499

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### XV. SEGMENT REPORTING (CONTINUED)

#### 1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that 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 management of the Group on a regular basis (Continued):

Item	Containers	Road	Energy,	Offshore	Airport	Logistics	Finance and	Unit load	Others	Elimination	Total
	manufacturing	transportation	chemical and	engineering	facilities and	services	asset			between	
	1 January to	1 January to	liquid food	1 January to	fire safety	1 January to	1 January to	1 January to	1 January to	1 January to	1 January to
	30 June 2023	30 June 2023	equipment	30 June 2023	equipment	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023
Revenue from external customers	13,152,034	12,961,673	11,350,133	4,010,160	2,266,977	8,989,333	801,913	1,420,965	5,707,290	(86,510)	60,573,968
Inter-segment revenue	515,673	507,957	37,954	109,280	15,108	142,642	125	7,348	298,057	(1,634,144)	-
Cost of sales	11,425,772	10,940,469	9,580,748	3,790,182	1,797,180	8,513,762	967,521	1,252,737	5,748,864	(1,604,810)	52,412,425
Investment income/(loss) in associates and joint ventures	302	11,089	15,474	(7,942)	4,489	29,968	-	662	82,632	-	136,674
Asset impairment losses and credit impairment losses	(23,044)	93,750	41,335	(810)	22,999	4,283	(27)	830	(4,826)	456	134,946
Depreciation and amortisation expenses	360,761	300,715	458,708	169,516	67,672	81,896	536,788	191,232	67,123	(166,067)	2,068,344
Interest income	138,750	52,195	44,121	8,336	3,612	6,126	109,864	4,871	1,135,120	(1,356,954)	146,041
Interest expenses	11,383	19,399	45,340	205,468	42,889	21,918	995,364	7,614	905,771	(1,357,940)	897,206
Segment operating profit/(loss)	834,096	2,486,773	601,215	(181,747)	28,040	75,899	(1,088,161)	(20,042)	125,881	(1,209,983)	1,651,971
Income tax expenses	66,568	594,830	165,804	406	20,158	21,361	36,834	8,372	(287,378)	34,634	661,589
Net profit/(loss)	767,528	1,891,943	435,411	(182,153)	7,882	54,538	(1,124,995)	(28,414)	413,259	(1,244,617)	990,382
Segment total assets	29,114,785	25,096,617	24,243,645	17,062,392	9,477,785	6,989,447	37,363,109	3,586,648	69,777,996	(68,660,243)	154,052,181
Segment total liabilities	12,482,433	10,358,737	14,714,443	19,806,026	6,292,483	4,085,582	42,720,348	1,558,276	47,646,104	(68,030,254)	91,634,178
Supplementary information:											
- Segment non-cash (income)/expenditures other than depreciation and amortisation	133,167	74,356	51,945	96,771	39,425	26,153	(29,168)	(780)	(44,967)	223,476	570,378
- Long-term equity investment of associates and joint ventures	651,758	110,852	269,005	482,984	4,926	553,067	60,489	4,126	9,657,632	-	11,794,839
- Increase in other non-current assets other than long-term equity investments, financial assets and deferred tax assets	597,348	304,754	573,522	182,804	70,544	142,467	80	318,123	1,469,361	(116,752)	3,542,251

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### XV. 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 location at which the services are provided or the goods are 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)

	Total revenue from external customers		Total non-current assets	
	January-June 2024	January-June 2023	30 June 2024	31 December 2023
China	36,035,876	31,259,574	57,882,676	56,588,690
Asia (except for China)	13,137,752	6,835,185	433,595	424,113
America	15,848,281	12,164,836	10,019,659	10,188,403
Europe	11,675,823	8,507,019	1,634,139	1,756,877
Others	2,417,311	1,807,354	172,453	173,866
<b>Total</b>	<b>79,115,043</b>	<b>60,573,968</b>	<b>70,142,522</b>	<b>69,131,949</b>

### XVI. FINANCIAL INSTRUMENTS AND RISKS

The Group's activities expose it to a variety of financial risks: 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 Risk Management Committee of the Group.



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 1. Market risk

##### (1) Foreign exchange risk

The Group's major operational activities are carried out in the Chinese Mainland 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, foreign exchange options or currency swap contracts to mitigate the foreign exchange risk (Note IV.3).

As at 30 June 2024, 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.

	30 June 2024				31 December 2023			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash and cash equivalents	3,301,399	137,133	431,106	66,633	2,413,720	237,068	11,120	79,596
Receivables	15,809,709	167,898	43,908	12,143	5,098,426	210,041	52,638	31,227
Contract assets	23,477	15,109	24,368	-	32,916	21,608	35,956	-
Short-term borrowings	(852,789)	(214,143)	(931)	-	(485,266)	(143,735)	-	-
Lease liabilities	276	-	(673)	-	-	-	(816)	-
Long-term borrowings	-	-	-	-	(49)	-	(370)	-
Account payables	(2,780,522)	(183,129)	(30,212)	(135)	(1,447,411)	(89,412)	(8,423)	(38)
Current portion of non-current liabilities	(127,219)	-	(174,785)	-	(127,685)	-	(181,712)	-
Derivative financial assets	33,164	10,373	(5)	287	214,210	4,413	897	1,071
Derivative financial liabilities	82,317	1,628	1,902	-	(245,701)	(13,370)	(93)	-
	15,489,812	(65,131)	294,678	78,928	5,453,160	226,613	(90,803)	111,856

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 1. Market risk (Continued)

##### (1) Foreign exchange risk (Continued)

As at 30 June 2024, for the financial assets, contract assets, financial liabilities and lease liabilities denominated in USD held by the subsidiaries whose recording 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 RMB464,694,000 lower/higher.

As at 30 June 2024 and 31 December 2023, the financial assets, contract assets, financial liabilities and lease liabilities denominated in foreign currencies, which are mainly RMB items held by the subsidiaries of the Group, whose recording currencies are USD, were expressed in RMB as follows:

	30 June 2024 RMB	31 December 2023 RMB
Cash and cash equivalents	2,370,154	588,343
Receivables	156,905	1,021,231
Receivables – financing	–	–
Short-term borrowings	(1,681,295)	(2,925,894)
Payables	(40,621)	(1,465,334)
Current portion of non-current liabilities	–	(16,071)
Derivative financial assets	6,680	80,764
Derivative financial liabilities	208	(10,985)
	<b>812,031</b>	<b>(2,727,946)</b>

As at 30 June 2024, for financial assets, contract assets, financial liabilities and lease liabilities denominated in RMB held by the subsidiaries whose recording 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 USD 3,381,000, equivalent to RMB24,361,000 higher/lower (31 December 2023: approximately USD11,906,000 higher/lower, equivalent to RMB83,932,000).

## NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in RMB'000 unless otherwise stated)

### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 1. Market risk (Continued)

##### (2) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing debts including long-term bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at 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. The Group continuously monitors its interest rate position. 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 floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. The Group makes adjustments timely with reference to the latest market conditions and may enter into interest rate derivative agreements to mitigate its exposure to interest rate risk. As at 30 June 2024, the Group's long-term interest bearing borrowings were mainly USD-denominated with floating rates linked to SOFR, amounting to USD1,450,580,000 (31 December 2023: USD1,885,580,000).

As at 30 June 2024, if the interest rates on floating rate borrowings linked to SOFR had risen/fallen by 50 basis points while all other variables held constant, the Group's net profit would be approximately USD10,383,000 lower/higher.

##### (3) Other price risks

The Group's other price risk arises mainly from various investments in equity instruments. As at 30 June 2024, the Group's financial assets held for trading amounted to RMB2,488,911,000, mainly representing investments in monetary funds and equities; the Group's other equity investments amounted to RMB1,999,779,000, mainly representing 64,972,927 listed tradable shares of Jade Bird Fire, 209,586,211 listed tradable shares of Shoucheng Holdings, 40,000,000 listed tradable shares of China Railway Special Cargo and 10,335,757 listed tradable shares of CSG Holding.

As at 30 June 2024, if the expected price of investments in equity instruments had risen/fallen by 5% (2023: 5%) with all other variables held constant, the Group's net profit would be approximately RMB93,334,000 (31 December 2023: RMB12,666,000) higher/lower.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 2. Credit risks

The Group's credit risk mainly arises from cash and cash equivalents, notes receivables, account receivables, receivables financing, other receivables, contract assets, debt investments, other debt investments, and financial guarantee contracts, 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 X, 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 X.

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 large or medium size listed banks with good reputation and high credit rating. The Group does not expect that there will be almost no significant losses from non-performance by these banks.

The Group has policies to limit the credit exposure on notes receivables, account 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 2024, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 3. Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs; continuously monitors whether the covenant terms in borrowing agreements are complied; and maintains sufficient headroom on the Group's committed undrawn banking facilities from major financial institutions so as to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the undiscounted contractual cash flows of the Group's financial liabilities, analysed by their maturity dates, are as below:

	30 June 2024					Carrying amount at balance sheet
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Short-term borrowings	15,421,838	-	-	-	15,421,838	14,699,572
Derivative financial liabilities	86,056	-	-	-	86,056	86,056
Notes payables	5,508,908	-	-	-	5,508,908	5,508,908
Account payables	25,670,873	-	-	-	25,670,873	25,670,873
Debentures payable	2,221,045	56,200	2,155,050	-	4,432,295	4,023,871
Other payables	5,463,310	-	-	-	5,463,310	5,463,310
Current portion of non-current liabilities	5,655,967	-	-	-	5,655,967	5,906,993
Other current liabilities	2,264,455	-	-	-	2,264,455	2,264,455
Long-term borrowings	803,300	10,500,393	6,643,787	384,530	18,332,010	19,851,116
Lease liabilities	-	169,534	337,032	370,855	877,421	899,900
Long-term payables	-	99,801	-	-	99,801	98,567
Other non-current liabilities	-	180,828	-	-	180,828	180,828
	63,095,752	11,006,756	9,135,869	755,385	83,993,762	84,654,449

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 3. Liquidity risk (Continued)

	31 December 2023					Total	Carrying amount at balance sheet
	Undiscounted contractual cash flow						
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years			
Short-term borrowings	12,921,697	-	-	-	12,921,697	12,400,861	
Derivative financial liabilities	1,696,118	-	-	-	1,696,118	1,696,118	
Notes payables	4,681,963	-	-	-	4,681,963	4,681,963	
Account payables	20,181,009	-	-	-	20,181,009	20,181,009	
Debentures payable	13,000	505,417	1,582,142	-	2,100,559	1,960,454	
Other payables	3,511,033	-	-	-	3,511,033	3,511,033	
Current portion of non-current liabilities	10,123,536	-	-	-	10,123,536	9,675,619	
Other current liabilities	2,426,929	-	-	-	2,426,929	2,415,381	
Long-term borrowings	651,831	5,732,739	8,229,747	472,192	15,086,509	13,523,455	
Lease liabilities	-	213,058	338,184	452,598	1,003,840	820,638	
Long-term payables	-	188,987	-	-	188,987	188,987	
Other non-current liabilities	-	54,954	-	-	54,954	54,954	
	56,207,116	6,695,155	10,150,073	924,790	73,977,134	71,110,472	

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XVI. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

#### 3. Liquidity risk (Continued)

- (i) As at the balance sheet date, the Group's financial guarantees provided to external parties were analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

30 June 2024				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,093,173	432,334	299,153	5,518	1,830,178

31 December 2023				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,650,634	462,458	82,888	62,014	2,257,995

- (ii) As at the balance sheet date, there were no cash flows of lease contracts that the Group had signed but not yet executed.

- (iii) Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2024		31 December 2023	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	19,887,471	2,502,760	22,076,480	2,002,618
1 to 2 years	11,027,050	–	5,434,477	507,583
2 to 5 years	8,414,619	4,023,871	7,630,882	1,452,871
Over 5 years	409,447	–	458,096	–
	<b>39,738,587</b>	<b>6,526,631</b>	35,599,935	3,963,072

### XVII. 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).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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### XVII. FAIR VALUE ESTIMATES (CONTINUED)

#### 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 2024:

Assets	Note	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial assets held for trading –	IV.2				
Investments in equity instruments held for trading		2,471,207	–	–	2,471,207
Contingent consideration		–	–	17,704	17,704
Derivative financial assets –	IV.3				
Forward foreign exchange contracts		–	11,818	–	11,818
Foreign exchange option contracts		–	37,804	–	37,804
Exchange rate/interest rate swap contracts		–	877	–	877
Receivables financing –	IV.6				
Bank acceptance notes		–	–	682,519	682,519
Other equity investments –	IV.14				
Unlisted company stock		–	–	714,326	714,326
Listed company stock		1,285,453	–	–	1,285,453
Other non-current financial assets –	IV.15				
Equity investments		–	–	452,811	452,811
Total financial assets		3,756,660	50,499	1,867,360	5,674,519
<b>Non-financial assets</b>					
Investment properties	IV.17	–	–	1,361,374	1,361,374
Total		3,756,660	50,499	3,228,734	7,035,893



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XVII. FAIR VALUE ESTIMATES (CONTINUED)

#### 1. Assets and liabilities measured at fair value on a recurring basis (Continued)

Liabilities	Note	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Financial liabilities held for trading		-	-	(79,516)	(79,516)
Derivative financial liabilities –	IV.3				
Forward foreign exchange contracts		-	(48,607)	-	(48,607)
Foreign exchange option contracts		-	(33,225)	-	(33,225)
Exchange rate/interest rate swap contracts		-	(2,864)	-	(2,864)
Currency swap contracts		-	(1,360)	-	(1,360)
Other non-current liabilities –	IV.43				
Forward foreign exchange contracts		-	-	-	-
Foreign exchange option contracts		-	(1,368)	-	(1,368)
<b>Total financial liabilities</b>		<b>-</b>	<b>(87,424)</b>	<b>(79,516)</b>	<b>(166,940)</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XVII. 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 2023:

Assets	Note	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial assets held for trading –	IV.2				
Investments in equity instruments held for trading		320,052	–	–	320,052
Contingent consideration		–	–	17,704	17,704
Derivative financial assets –	IV.3				
Forward foreign exchange contracts		–	267,183	–	267,183
Foreign exchange option contracts		–	16,916	–	16,916
Exchange rate/interest rate swap contracts		–	17,256	–	17,256
Receivables financing –	IV.6				
Bank acceptance notes		–	–	1,062,258	1,062,258
Other equity investments –	IV.14				
Unlisted company stock		–	–	744,266	744,266
Listed company stock		1,424,537	–	–	1,424,537
Other non-current financial assets –	IV.15				
Forward foreign exchange contracts		–	22,086	–	22,086
Equity investments		–	–	432,238	432,238
<b>Total financial assets</b>		<b>1,744,589</b>	<b>323,441</b>	<b>2,256,466</b>	<b>4,324,496</b>
<b>Non-financial assets</b>					
Investment properties	IV.17	–	–	1,369,993	1,369,993
<b>Total</b>		<b>1,744,589</b>	<b>323,441</b>	<b>3,626,459</b>	<b>5,694,489</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### XVII. FAIR VALUE ESTIMATES (CONTINUED)

#### 1. Assets and liabilities measured at fair value on a recurring basis (Continued)

Liabilities	Note	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Financial liabilities held for trading		–	–	(76,020)	(76,020)
Derivative financial liabilities –	IV.3				
Forward foreign exchange contracts		–	(260,696)	–	(260,696)
Foreign exchange option contracts		–	(6,827)	–	(6,827)
Exchange rate/interest rate swap contracts		–	(2,626)	–	(2,626)
Commitment to non-controlling interests		–	–	(1,425,969)	(1,425,969)
Other non-current liabilities –	IV.43				
Interest rate swap contracts		–	(5,159)	–	(5,159)
<b>Total financial liabilities</b>		<b>–</b>	<b>(275,308)</b>	<b>(1,501,989)</b>	<b>(1,777,297)</b>

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 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, unit price, etc.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XVII. 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 financial assets in Level 3:

	<b>Financial assets held for trading, receivables financing, other equity investments and other non-current financial assets</b>
1 January 2024	2,256,466
Additions	141,788
Decreases	(361,870)
Total gains or losses for current period:	
– Gains or losses recognised in profit or loss	–
– Gains or losses recognised in other comprehensive income	(169,024)
30 June 2024	<b>1,867,360</b>
	Financial assets held for trading, receivables financing, other equity investments and other non-current financial assets
1 January 2023	1,471,571
Additions	433,291
Decreases	
– Gains or losses recognised in profit or loss	308,775
– Gains or losses recognised in other comprehensive income	42,829
31 December 2023	2,256,466

## NOTES TO THE FINANCIAL STATEMENTS

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### XVII. 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 2024	1,369,993
Transferred from construction in progress	138
Total gains for current period	(1,702)
– Gains or losses recognised in profit or loss	(1,702)
Disposals for current period	–
Transfer to fixed assets	(2,866)
Other decreases	(279)
Translation difference of foreign currency statements	(3,910)
30 June 2024	1,361,374

	Investment properties
1 January 2023	1,453,007
Transferred from construction in progress and fixed assets	2,929
Additions for current year	2,559
Total gains for current year	(16,536)
– Gains or losses recognised in profit or loss	(16,536)
Disposals for current year	(36,336)
Transfer to intangible assets and fixed assets	(35,698)
Translation difference of foreign currency statements	68
31 December 2023	1,369,993

The following table presents the movement of the financial liabilities in Level 3:

	Commitment to non-controlling interests	Financial liabilities held for trading
1 January 2024	(1,425,969)	(76,020)
Increase in current period	–	–
Gains or losses on changes in fair value	–	(3,217)
Decrease in current period	1,425,969	1,527
Translation difference of foreign currency statements	–	(1,806)
30 June 2024	–	(79,516)

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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### XVII. 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 and liabilities measured at fair value in Level 2:

	Fair value as at 30 June 2024	Valuation techniques	Inputs
Derivative financial assets	50,499	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Derivative financial liabilities	(86,056)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Other non-current liabilities	(1,368)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
	<b>(36,925)</b>		
	Fair value as at 31 December 2023	Valuation techniques	Inputs
Derivative financial assets	301,355	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Other non-current financial assets	22,086	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Derivative financial liabilities	(270,149)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Other non-current liabilities	(5,159)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
	<b>48,133</b>		

## NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in RMB'000 unless otherwise stated)

### XVII. 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 2024	Valuation techniques	Name	Significant unobservable inputs		
				Scope/weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,164,932	Income model	Monthly rental (RMB/square meter/month)	3-72	(a)	Unobservable
Land use rights	196,442	Direct comparison	Rate of return/capitalisation rate Market price (RMB/square meter)	150-828.4	(a)	Unobservable

	Fair value as at 31 December 2023	Valuation techniques	Name	Significant unobservable inputs		
				Scope/weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,173,551	Income model	Monthly rental (RMB/square meter/month)	3-72	(a)	Unobservable
Land use rights	196,442	Direct comparison	Rate of return/capitalisation rate Market price (RMB/square meter)	150-828.4	(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

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### XVII. FAIR VALUE ESTIMATES (CONTINUED)

#### 2. Assets and liabilities not measured at fair value but for which their fair values are disclosed

Financial assets and liabilities in the Group measured at amortised cost mainly include receivables, short-term borrowings, payables, long-term borrowings, debentures payable and long-term payables.

As at 30 June 2024, the carrying amount of the financial assets and liabilities of the Group was not materially different from their fair value.

### XVIII. 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-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 2024 and 31 December 2023 were as follows:

	30 June 2024	31 December 2023
Total liabilities	112,923,839	97,132,883
Total assets	179,111,959	161,763,233
Debt-Asset ratio	63%	60%



## NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

#### 1. Cash and cash equivalents

	30 June 2024	31 December 2023
Bank deposits	4,065,019	2,689,578
Other cash balances	40,114	140,080
	<b>4,105,133</b>	<b>2,829,658</b>
Including: Total cash abroad	–	–

As at 30 June 2024, restricted cash and cash equivalents of the Company amounted to RMB7,965,000 (31 December 2023: RMB7,965,000).

As at 30 June 2024, the deposit of the Company in the Financial Company, a subsidiary of the Group, totaled RMB3,624,553,000 (31 December 2023: RMB2,665,796,000). Among them, the Company held fixed deposits in the Financial Company, a subsidiary of the Group, of RMB52,000,000 (31 December 2023: Nil).

#### 2. Derivative financial instruments

	30 June 2024	31 December 2023
Derivative financial assets –		
Forward foreign exchange contracts	–	1,042
Foreign exchange option contracts	–	–
	–	1,042
Derivative financial liabilities –		
Forward foreign exchange contracts	–	–
Foreign exchange option contracts	–	5,276
	–	5,276

#### 3. Other receivables

(1) Other receivables were analysed by categories of customers as follows:

	30 June 2024	31 December 2023
Receivables from related parties (Note XIX.3(6))	26,792,140	24,770,452
Dividends receivable	4,032,581	3,944,715
Interest receivable	70,743	70,295
Security deposits	250	236
Others	6,139	49,209
Sub-total	<b>30,901,853</b>	<b>28,834,907</b>
Less: Provision for bad debts	<b>(4,580)</b>	<b>(4,580)</b>
	<b>30,897,273</b>	<b>28,830,327</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Other receivables (Continued)

(2) The ageing analysis of other receivables is as follows:

	30 June 2024	31 December 2023
Within 1 year	19,716,685	17,958,826
1 to 2 years	5,995,595	5,774,696
2 to 3 years	440,686	389,235
Over 3 years	4,748,887	4,712,150
	<b>30,901,853</b>	<b>28,834,907</b>

#### (3) Loss provision and changes in book balance

Provision for bad debts of other receivables is analysed by category as follows:

	30 June 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total amount	Amount	Accrual rate	Amount	% of total amount	Amount	Accrual rate
Provision for bad debts individually assessed (i)	-	-	-	-	-	-	-	-
Provision for bad debts collectively assessed (ii)	30,901,853	100%	4,580	0.01%	28,834,907	100%	4,580	0.02%
	<b>30,901,853</b>	<b>100%</b>	<b>4,580</b>	<b>0.01%</b>	<b>28,834,907</b>	<b>100%</b>	<b>4,580</b>	<b>0.02%</b>

	First stage			Third stage			Total	
	12-month ECL (individually assessed)		Sub-total	Lifetime ECL (suffered credit impairment) (individually assessed)		Lifetime ECL (suffered credit impairment) (collectively assessed)		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	Book balance		Provision for bad debts
31 December 2023	28,830,327	-	-	-	-	4,580	4,580	
Newly added in this period (i)	9,669,804	-	-	-	-	-	-	
Decrease in this period	(7,602,858)	-	-	-	-	-	-	
Including: Verification in this period	-	-	-	-	-	-	-	
30 June 2024	<b>30,897,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,580</b>	<b>4,580</b>	

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Other receivables (Continued)

##### (3) Loss provision and changes in book balance (Continued)

As at 30 June 2024 and 31 December 2023, the Company had no other receivables that were recognised at the second stage. Other receivables recognised at the first and the third stages were as follows:

- (i) As at 30 June 2024 and 31 December 2023, the provision for bad debts of other receivables individually assessed in the first stage was as follows:

	30 June 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Receivables from related parties	26,792,140	-	-	24,770,452	-	-
Dividends receivable	4,032,581	-	-	3,944,715	-	-
Interest receivable	70,743	-	-	70,295	-	-
Security deposits	250	-	-	236	-	-
Others	6,139	-	-	44,629	-	-
	<b>30,901,853</b>	-	-	<b>28,830,327</b>	-	-

- (ii) As at 30 June 2024, the provision for bad debts of other receivables collectively assessed in the third stage was as follows:

	Book balance	Lifetime ECL rate	Provision for bad debts
Collectively assessed			
Others	4,580	100%	4,580

- (4) There was no provision for bad debts of other receivables that was written off in current period.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Other receivables (Continued)

(5) As at 30 June 2024, the five largest balances of other receivables were analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
CIMC Hong Kong	Fund transfer, daily transfer	9,063,525	Within 1 year, 1 to 3 years	29.33%	-
Fortune	Fund transfer, daily transfer	6,774,786	Within 1 year	21.92%	-
SCIMC	Fund transfer	5,466,986	Within 1 year, 1 to 2 years	17.69%	-
CIMC Investment	Fund transfer, daily transfer	1,462,334	Within 1 year, 1 to 3 years	4.73%	-
Tianjin Kaisheng	Fund transfer	1,242,772	Within 1 year, 1 to 2 years	4.02%	-
		24,010,403		77.69%	-

As at 31 December 2023, the five largest balances of other receivables were analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
CIMC Hong Kong	Fund transfer, daily transfer	11,948,638	Within 1 year, 1 to 2 years	41.44%	-
SCIMC	Fund transfer	5,431,986	Within 1 year	18.84%	-
Fortune	Fund transfer, daily transfer	2,278,079	Within 1 year, over 3 years	7.90%	-
CIMC Investment	Fund transfer, daily transfer	1,504,334	Within 1 year, 1 to 3 years, over 3 years	5.22%	-
CIMC Raffles	Fund transfer	1,004,116	Within 1 year, 1 to 2 years	3.48%	-
		22,167,153		76.88%	-

#### (6) Receivables from related parties

	Relationship with the Company	30 June 2024		31 December 2023	
		Amount	% of total balance	Amount	% of total balance
Associates of the company	Associates	75,794	0.25%	75,795	0.26%
Total receivables from subsidiaries	Subsidiaries	26,716,346	86.46%	24,694,657	85.64%
		26,792,140	86.71%	24,770,452	85.90%

#### (7) Other receivables derecognised due to transfer of financial assets

As at 30 June 2024, there were no other receivables derecognised due to transfer of financial assets of the Company (31 December 2023: Nil).

#### (8) Amount of assets and liabilities recognised due to the continuing involvement of securitised other receivables

As at 30 June 2024, there were no securitised other receivables (31 December 2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 4. Other equity investments

	30 June 2024	31 December 2023
Unlisted company stock		
– BOCM Schroder	312,402	321,414
– CR Intermodal	368,034	378,272
– CIMC Intelligent Technology	33,890	44,580
	<b>714,326</b>	<b>744,266</b>
Listed company stock		
– Jade Bird Fire	821,258	899,225
– CSG Holding	52,092	57,570
	<b>873,350</b>	<b>956,795</b>
	<b>1,587,676</b>	<b>1,701,061</b>

#### 5. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	30 June 2024	31 December 2023
Subsidiaries (2)	14,415,956	14,415,956
Associates (3)	2,293,841	2,222,441
Less: Provision for impairment of long-term equity investments	–	–
	<b>16,709,797</b>	<b>16,638,397</b>

There is no restriction on sale of the long-term equity investments held by the Company.

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 5. Long-term equity investments (Continued)

##### (2) Subsidiaries

Investee	31 December 2023	Increase in investments	Decrease in investments	30 June 2024	Shareholding (%)	Voting rights (%) (Direct+Indirect)	Impairment provision at the end of the period	Cash dividends declared in current period
SCIMC	480,472	-	-	480,472	100.00%	100.00%	-	-
CIMC Hong Kong	1,690	-	-	1,690	100.00%	100.00%	-	-
CIMC SD	165,074	-	-	165,074	100.00%	100.00%	-	-
CIMC Vehicles	1,038,668	-	-	1,038,668	38.87%	61.13%	-	-
CIMC Training	48,102	-	-	48,102	100.00%	100.00%	-	-
Finance Company	893,818	-	-	893,818	78.91%	100.00%	-	-
CIMC Investment	140,000	-	-	140,000	100.00%	100.00%	-	-
Container Holding	5,043,682	1,341,195	-	6,384,877	100.00%	100.00%	-	749,338
COOPERATIE CIMC U.A	205,022	-	-	205,022	99.00%	100.00%	-	-
CIMC Wetrans Logistics	1,216,294	-	-	1,216,294	62.70%	62.70%	-	200,640
MEA	441,800	-	-	441,800	100.00%	100.00%	-	-
Fortune	67,755	-	-	67,755	100.00%	100.00%	-	-
Guangdong Jiliu Investment Consulting Co., Ltd.	30,000	-	-	30,000	100.00%	100.00%	-	-
CIMC Technology	1,576,580	-	(1,576,580)	-	100.00%	100.00%	-	-
CIMC Capital	1,250,000	-	-	1,250,000	100.00%	100.00%	-	-
CIMC Unit Load	500,000	235,385	-	735,385	63.58%	63.58%	-	-
Shenzhen CIMC Special Vehicles Co., Ltd.	1,316,999	-	-	1,316,999	100.00%	100.00%	-	-
<b>Total</b>	<b>14,415,956</b>	<b>1,576,580</b>	<b>1,576,580</b>	<b>14,415,956</b>			-	<b>949,978</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 5. Long-term equity investments (Continued)

##### (3) Associates

Investee	31 December 2023	Increase in this period	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends or profits	Decrease in investments	30 June 2024	Shareholding (%)  (Direct)	Voting rights (%) (Direct+ Indirect)		Impairment provision
CIMC CAPITAL Ltd.	1,059,418	-	68,658	19,966	-	-	1,148,042	21.32%	45.43%	-	
CIMC Xinde Leasing (Shenzhen) Co., Ltd.	412,660	-	30,154	2,910	-	-	445,724	40.00%	67.26%	-	
C&C Trucks Co., Ltd.	750,363	-	(50,288)	-	-	-	700,075	35.42%	35.42%	-	
	2,222,441	-	48,524	22,876	-	-	2,293,841			-	

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For the period from 1 January to 30 June 2024  
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### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 6. Fixed assets

	30 June 2024	31 December 2023
Fixed assets	99,175	103,201
Disposals of fixed assets	8	847
	<b>99,183</b>	<b>104,048</b>

#### (1) Fixed assets

	Buildings Self-used	Motor vehicles Self-used	Office and other equipment Self-used	Total
Original cost				
31 December 2023	144,092	29,236	130,801	304,129
Transferred from construction in progress	–	–	525	525
Additions	–	908	502	1,410
Disposals	–	(791)	–	(791)
30 June 2024	<b>144,092</b>	<b>29,353</b>	<b>131,828</b>	<b>305,273</b>
Accumulated depreciation				
31 December 2023	74,866	21,616	104,446	200,928
Depreciation	2,147	983	2,752	5,882
Disposals	–	(712)	–	(712)
30 June 2024	<b>77,013</b>	<b>21,887</b>	<b>107,198</b>	<b>206,098</b>
Net book value				
31 December 2023	69,226	7,620	26,355	103,201
30 June 2024	<b>67,079</b>	<b>7,466</b>	<b>24,630</b>	<b>99,175</b>

The amount of depreciation accrued for fixed assets from 1 January to 30 June 2024 was included in the general and administrative expenses, amounting to RMB5,882,000 (From 1 January to 30 June 2023: RMB6,238,000).

The fixed assets transferred from construction in progress from 1 January to 30 June 2024 was RMB525,000 (From 1 January to 30 June 2023: Nil).

#### (2) Disposals of fixed assets

	30 June 2024	31 December 2023
Office and other equipment	8	847



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 7. Intangible assets

	Land use rights	Software use rights	Others	Total
Original cost				
31 December 2023	1,410,178	217,320	2,596	1,630,094
Additions for current period	–	–	–	–
30 June 2024	<b>1,410,178</b>	<b>217,320</b>	<b>2,596</b>	<b>1,630,094</b>
Accumulated depreciation				
31 December 2023	32,588	64,322	2,596	99,506
Depreciation recognised in current period	23,329	11,234	–	34,563
30 June 2024	<b>55,917</b>	<b>75,556</b>	<b>2,596</b>	<b>134,069</b>
Net book value				
31 December 2023	1,377,590	152,998	–	1,530,588
30 June 2024	<b>1,354,261</b>	<b>141,764</b>	<b>–</b>	<b>1,496,025</b>

From 1 January to 30 June 2024, amortisation expenses of intangible assets amounted to RMB34,563,000 (From 1 January to 30 June 2023: RMB14,380,000).

As at 30 June 2024, there was no intangible assets transferred from development expenditures within the Company (30 June 2023: Nil).

#### 8. Other current liabilities

	30 June 2024	31 December 2023
Super short-term financing bonds (IV.38)	2,001,677	2,002,618
VAT to be recognised	8,419	1,120
	<b>2,010,096</b>	<b>2,003,738</b>

#### 9. Short-term borrowings

	30 June 2024	31 December 2023
Unsecured	1,400,998	2,201,801

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 10. Taxes payable

	30 June 2024	31 December 2023
Corporate income tax payable	1,867	1,867
Individual income tax payable	6,244	7,853
VAT payable	773	67
Others	113	124
	<b>8,997</b>	<b>9,911</b>

#### 11. Other payables

(1) The analysis of the Company's other payables is as follows:

	30 June 2024	31 December 2023
Payables to subsidiaries	6,982,156	8,312,858
Payables to related parties	96,396	96,396
Dividends payable	118,093	-
Accrued expenses	-	7,267
Warranties	607	608
Others	1,437,619	21,939
	<b>8,634,871</b>	<b>8,439,068</b>

#### (2) Other payables aged over 1 year

Other payables aged over 1 year are mainly fund transfers with member enterprises of the Group, etc.

(3) Payables to related parties:

Company name	Relationship with the Company	30 June 2024	31 December 2023
Payables to subsidiaries	Subsidiaries	6,982,156	8,312,858
Payables to related parties	Related parties	96,396	96,396

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 12. Current portion of non-current liabilities

Item		30 June 2024	31 December 2023
Current portion of long-term borrowings	XIX.13	1,250,786	1,442,074
Current portion of debentures payable	XIX.14	501,083	–
		1,751,869	1,442,074

#### 13. Long-term borrowings

	30 June 2024	31 December 2023
Unsecured	12,096,716	9,404,942
Less: Current portion of long-term borrowings		
Unsecured	(1,250,786)	(1,442,074)
	10,845,930	7,962,868

As at 30 June 2024, there were no overdue long-term borrowings of which the durations are extended (31 December 2023: Nil).

As at 30 June 2024, the interest rate of long-term borrowings ranged from 1.20% to 2.90% (31 December 2023: 1.20% to 3.40%).

#### 14. Debentures payable

Information for the Company's debentures payable is disclosed in Note IV.41.

Note	31 December 2023	Current period issuance	Interest at par value	Repayment of principal in current period	Interest paid in current period	30 June 2024
Medium term notes	507,583	2,000,000	21,331	–	(13,000)	2,515,914
Less: current portion of debentures payable	–					(501,083)
	507,583					2,014,831

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 15. Deferred tax assets

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

	30 June 2024		31 December 2023	
	Deductible/ (Taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (Taxable) temporary differences	Deferred tax assets/(liabilities)
<b>Deferred tax assets:</b>				
Deductible losses	47,938	11,983	157,090	39,272
Derivative financial liabilities	–	–	5,276	1,319
Changes in fair value of other equity investments	77,715	19,429	–	–
Sub-total	125,653	31,412	162,366	40,591
Offsetting amount	(125,653)	(31,412)	(162,366)	(40,591)
<b>Offsetting balances</b>	–	–	–	–
Including:				
Expected to be recovered within one year (inclusive)		–		–

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 15. Deferred tax assets (Continued)

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

	30 June 2024		31 December 2023	
	Deductible/ (Taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (Taxable) temporary differences	Deferred tax assets/(liabilities)
<b>Deferred tax liabilities:</b>				
Derivative financial assets	–	–	1,042	261
Changes in fair value of investment properties	125,653	31,412	125,653	31,412
Changes in fair value of other equity investments	–	–	35,671	8,918
Sub-total	125,653	31,412	162,366	40,591
Offsetting amount	(125,653)	(31,412)	(162,366)	(40,591)
<b>Offsetting balances</b>	–	–	–	–
Including:				
Expected to be recovered within one year (inclusive)		–		–

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 16. Capital reserve

	31 December 2023	Increase in current period	Decrease in current period	30 June 2024
Share premium	1,482,130	–	–	1,482,130
Other capital reserve:				
– Exchange differences arising from translation of foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Share-based payments included in shareholders' equity	119,433	–	–	119,433
Others	(586,888)	–	–	(586,888)
	1,015,449	–	–	1,015,449

	31 December 2022	Increase in current year	Decrease in current year	31 December 2023
Share premium	1,482,130	–	–	1,482,130
Other capital reserve:				
– Exchange differences arising from translation of foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Share-based payments included in shareholders' equity	119,433	–	–	119,433
Others	(586,888)	–	–	(586,888)
	1,015,449	–	–	1,015,449

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 17. Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the from 1 January to 30 June 2024 income statement			
	31 December 2023	Post-tax amount	30 June 2024	Pre-tax amount incurred	Less: Transfer out in this period	Less: Income tax expenses	Post-tax amount
Items that will not be reclassified to profit or loss							
Changes in fair value of other equity investments	24,132	(113,385)	(89,253)	(113,385)	-	-	(113,385)
Items that may be reclassified subsequently to profit or loss							
The share of other comprehensive income that will be reclassified into profit or loss under equity method	50,773	22,876	73,649	22,876	-	-	22,876
Retrospective adjustment to a partial disposal of an interest in a subsidiary in which the parent company loses control but retains an interest as an associate under equity method	32,655	-	32,655	-	-	-	-
The amount greater than the carrying amount on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	87,614	-	87,614	-	-	-	-
Others	43,754	-	43,754	-	-	-	-
	<b>238,928</b>	<b>(90,509)</b>	<b>148,419</b>	<b>(90,509)</b>	<b>-</b>	<b>-</b>	<b>(90,509)</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 17. Other comprehensive income (Continued)

	Other comprehensive income in the balance sheet		Other comprehensive income in the 2023 income statement				
	31 December 2022	Post-tax amount	31 December 2023	Pre-tax amount incurred	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount
Items that will not be reclassified to profit or loss							
Changes in fair value of other equity investments	439,222	(415,090)	24,132	(468,646)	-	53,556	(415,090)
Items that may be reclassified subsequently to profit or loss							
The share of other comprehensive income that will be reclassified into profit or loss under equity method	35,755	15,018	50,773	15,018	-	-	15,018
Retrospective adjustment to a partial disposal of an interest in a subsidiary in which the parent company loses control but retains an interest as an associate under equity method	32,655	-	32,655	-	-	-	-
The amount greater than the carrying amount on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	87,614	-	87,614	-	-	-	-
Others	43,754	-	43,754	-	-	-	-
	639,000	(400,072)	238,928	(453,628)	-	53,556	(400,072)



## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 18. Retained earnings

	For the period from 1 January to 30 June 2024	2023
Retained earnings at the beginning of the period	15,681,769	14,657,717
Add: Net profit for current period	(226,928)	2,241,157
Add: Retrospective adjustment to a partial disposal of an interest in a subsidiary in which the parent company loses control but retains an interest as an associate under equity method	–	–
Less: Equity attributable to holders of other equity instruments in current period	(47,545)	(64,200)
Less: Appropriation to statutory surplus reserve	–	(186,096)
Ordinary share dividends payable	(118,093)	(966,809)
Retained earnings at the end of the period	15,289,203	15,681,769

Approved by the shareholders' general meeting on 26 June 2024, the Company distributed cash dividends to ordinary shareholders on 16 August 2024, at RMB0.022 per share (2023: RMB0.18 per share), totalling RMB118,093,000 (2023: RMB966,809,000).

#### 19. Revenue and cost of sales

##### (1) Revenue and cost of sales

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Revenue from other operations	217,276	78,432
Cost of sales from other operations	–	–

##### (2) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June 2024		For the period from 1 January to 30 June 2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	205,849	–	67,278	–
Others	11,427	–	11,154	–
	217,276	–	78,432	–

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 20. Financial expenses/(income)

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Interest expenses of borrowings	335,672	246,682
Less: Interest income	(16,356)	(28,567)
Foreign exchange gains and losses	(180,811)	(232,969)
Others	7,893	2,621
	<b>146,398</b>	<b>(12,233)</b>

#### 21. Expenses by nature

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Salary or wages	108,173	106,562
Operating and office expenditure	12,440	13,052
Agency fees	6,521	8,219
Software and system maintenance fee	8,630	8,266
Depreciation and amortisation expenses	41,473	21,646
Advertising and stock certificate fee	1,365	2,100
Travel and communication costs	6,953	5,541
Technical research and development expenditure	1,019	487
Other expenses	738	556
	<b>187,312</b>	<b>166,429</b>

#### 22. Investment income

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Income from long-term equity investments under cost method	949,978	2,692,331
Interest income and others	278,693	283,824
Income from long-term equity investments under equity method	48,524	17,160
Income earned during the holding period of other equity investments	22,740	54,994
Investment (loss) from disposals of derivative financial assets/liabilities	(36,682)	(69,773)
Investment income from disposals of financial assets held for trading	36,893	7,568
	<b>1,300,146</b>	<b>2,986,104</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 23. Income tax expenses

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
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 expenses based on the total profit of the income statement:

	<b>For the period from 1 January to 30 June 2024</b>	For the period from 1 January to 30 June 2023
Profit before income tax	<b>(226,928)</b>	2,609,450
Income tax expenses calculated at applicable tax rates	<b>(56,732)</b>	652,363
Expenses not deductible for tax purposes	455	469
The tax effect of current year's losses of unrecognised deferred tax assets	<b>299,457</b>	30,251
Utilisation of previously unrecognised deductible losses	–	–
Income not subject to tax	<b>(243,180)</b>	(683,083)
Income tax expenses	–	–

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
(All amounts in RMB'000 unless otherwise stated)

### XIX. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 24. Notes to the cash flow statement

##### (1) Supplementary information to the cash flow statement:

###### (a) Reconciliation from net profit to cash flows from operating activities:

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Net profit	(226,928)	2,609,450
Add: Asset impairment losses and credit impairment losses	–	207,616
Depreciation of fixed assets	5,882	6,238
Amortisation of intangible assets	34,563	14,380
Amortisation of long-term prepaid expenses	1,028	1,028
Amortisation of deferred income	(758)	(961)
Losses on disposals of fixed assets	790	235
Losses on changes in fair value	1,408,929	107,141
Financial expenses	138,494	2,567
Investment income	(1,300,146)	(2,986,104)
Decrease/(increase) in operating receivables	(325,456)	170,650
(Decrease)/increase in operating payables	199,474	(239,101)
Net cash flows used in operating activities	(64,128)	(106,861)

###### (b) Net change of cash and cash equivalents:

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Cash and cash equivalents at the end of the period	4,097,168	967,263
Less: Cash and cash equivalents at the beginning of the year	(2,821,693)	(550,709)
Net (decrease)/increase in cash and cash equivalents	1,275,475	416,554

##### (2) Composition of cash and cash equivalents

	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
I. Cash		
Including: Bank deposits that can be readily drawn on demand	4,064,417	934,596
Other cash balances that can be readily drawn on demand	32,751	32,667
II. Balance of cash and cash equivalents that are readily convertible to cash at the end of the period	4,097,168	967,263

Note: The aforesaid cash and cash equivalents excluded restricted cash and cash equivalents.

## Supplementary to the Financial Statements

For the period from 1 January to 30 June 2024  
(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 2024	For the period from 1 January to 30 June 2023
Gains on disposals of non-current assets	604	3,538
Government grants recognised in profit or loss for current period	213,985	231,645
Except for the effective hedging activities related to the Group's ordinary operating activities, profit or loss arising from changes in fair value of financial assets held, disposal of financial assets, and changes in fair value of investment properties subsequently measured using the fair value model	(219,622)	(1,443,868)
Reversal of provision for impairment of receivables subject to impairment test separately	12,379	980
Net income from disposals of long-term equity investments	3,524	200,615
Other non-recurring gains items	93,429	13,694
Less: Effect of income tax	31,946	(186,539)
Effect of non-controlling interests (after tax)	26,892	(228,814)
<b>Total</b>	<b>45,461</b>	<b>(578,043)</b>

Note: The above non-recurring profit or loss items are presented at the amount before tax.

#### (1) Basis for preparation of statement of non-recurring profit or loss

In 2023, the China Security Regulatory Commission issued the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit or Loss [2023]* (the "Explanatory Announcement No. 1 [2023]"), which has come into effect since the date of issuance. The Group prepared the statement of non-recurring profit or loss in accordance with the provisions in the Explanatory Announcement No. 1 [2023].

Under the Explanatory Announcement No. 1 [2023], 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.

The requirements in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit or Loss [2023]* issued by the China Security Regulatory Commission in 2023 has no significant impact on the non-recurring profit or loss of the period from 1 January to 30 June 2024 and 2023 recognised.

## Supplementary to the Financial Statements

For the period from 1 January to 30 June 2024

(All amounts in RMB'000 unless otherwise stated)

### II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the 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 2024	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2024	For the period from 1 January to 30 June 2023
Net profit attributable to ordinary shareholders of the Company	1.77%	0.79%	0.16	0.07	0.15	0.07
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.68%	2.03%	0.15	0.18	0.14	0.18

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