中國國際海運集裝箱(集團)股份有限公司

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

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

(H Share Stock Code: 2039)

(A Share Stock Code: 000039)

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021 (SUMMARY OF THE 2021 INTERIM REPORT)

1 IMPORTANT NOTICE

1.1 The board of directors (the "**Board**"), the supervisory committee (the "**Supervisory Committee**") and the directors (the "**Directors**"), supervisors (the "**Supervisors**") and senior management of China International Marine Containers (Group) Co., Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") warrant that there are no misrepresentations, misleading statements or material omissions contained in the 2021 interim results announcement (the "**Announcement**"), and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in the interim report of the Group for the six months ended 30 June 2021 (the "**2021 Interim Report**"). The Announcement is extracted from the 2021 Interim Report and is published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cimc.com). The full version of the 2021 Interim Report will be posted on the above websites in due course.

1.2 The Announcement has been considered and approved at the 21st meeting of the ninth session of the Board in 2021. All Directors have attended the meeting to consider and approve the Announcement and the meeting was held as an on-site + web meeting, where one of the Directors, Mr. HU Xianfu authorized Mr. DENG Weidong to attend the meeting and exercise voting rights on his behalf.

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

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

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

1.6 The forward-looking statements in this Announcement 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.

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

2 BASIC INFORMATION OF THE COMPANY

2.1 Basic Information of the Company

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

2.2 Contact Persons and Means of Communication

	Wu Sanqiang Secretary to the Board, Joint Company Secretary	**He Linying** Representative of Securities Affairs, Joint Company Secretary
Telephone:	(86 755) 2669 1130	(86 755) 2680 2258
Facsimile:	(86 755) 2682 6579	(86 755) 2682 6579
Email Address:	ir@cimc.com	ir@cimc.com

Contact Address in mainland China:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Address in Hong Kong:	3101–2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

3.1 Key Accounting Data

During the Reporting Period, the Company did not make retrospective adjustments to or restate the accounting data of previous years due to changes in accounting policies and correction of accounting errors.

Unit: RMB thousand

Consolidated Income Statement Items	January – June 2021 (unaudited)	January – June 2020 (unaudited)	Changes (%)
Revenue	**73,184,549**	39,431,807	85.60%
Operating profit	**6,889,375**	588,681	1,070.31%
Profit before income tax	**6,859,213**	641,350	969.50%
Income tax expense	**1,813,717**	399,132	354.42%
Net profit	**5,045,496**	242,218	1,983.04%
Net profit/(loss) attributable to shareholders and other equity holders of the Company	**4,297,459**	(182,797)	2,450.95%
Profit or loss attributable to minority shareholders	**748,037**	425,015	76.00%
Net profit/(loss) attributable to shareholders and other equity holders of the Company after deducting non- recurring profit or loss	**3,648,549**	(236,265)	1,644.26%

Unit: RMB thousand

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

Unit: RMB thousand

Consolidated Cash Flow Statement Items	**January – June 2021 (unaudited)**	January – June 2020 (unaudited)	Changes (%)
Net cash flows from operating activities	**6,261,059**	2,242,911	179.15%
Net cash flows from investing activities	**(2,010,629)**	(885,872)	(126.97%)
Net cash flows from financing activities	**(3,202,638)**	561,330	(670.54%)

3.2 Key Financial Indicators

	January – June 2021 (unaudited)	January – June 2020 (unaudited)	Changes (%)
Basic earnings per share attributable to shareholders of the Company *(RMB)*	**1.1673**	(0.0841)	1,487.99%
Diluted earnings per share attributable to shareholders of the Company *(RMB)*	**1.1670**	(0.0841)	1,487.63%
Weighted average return on net assets *(%)*	**10.09%**	(0.86%)	10.95%
Weighted average return on net assets after deducting non-recurring profit or loss *(%)*	**8.52%**	(1.02%)	9.54%
Net cash flows from operating activities per share *(RMB)*	**1.74**	0.63	176.19%

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

3.3 Non-Recurring Profit or Loss Items and Amounts

Unit: RMB thousand

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

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

4 INFORMATION ON SHAREHOLDERS

4.1 Number of Shareholders

As at 30 June 2021, the Company had a total of 3,595,013,590 shares in issue, including 1,535,121,660 A shares and 2,059,891,930 H shares.

The total number of shareholders of the Company as at 30 June 2021 was 70,216, including 70,189 holders of A shares, 27 registered holders of H shares. Based on the public information available to the Company and as far as the Directors were aware, the minimum public float of the Company has satisfied the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

4.2 Shareholdings of the Top Ten Shareholders as at the End of the Reporting Period (Prepared According to the Relevant Provisions of Domestic Securities Regulatory Rules)

Shareholdings of the ordinary Shareholders who held 5% or above or the top ten ordinary Shareholders

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

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

(1) As at 30 June 2021, 880,429,220 H shares (Long Position (L)) held by China Merchants Group Limited ("**China Merchants Group**") through its subsidiaries (including China Merchants (CIMC) Investment Limited);

(2) 719,089,532 H shares directly held by Shenzhen Capital Operation Group Co., Ltd. ("**Shenzhen Capital Group**") through its wholly-owned subsidiary Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. ("**Shenzhen Capital (Hong Kong)**");

(3) 182,273,280 H shares held by CITIC − Prudential Life Insurance Co., Ltd.

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

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

4.3 Disclosure of Substantial Shareholders and Other Parties under the Securities and Futures Ordinance (the "SFO") of Hong Kong

So far as the Directors are aware, as at 30 June 2021, the persons other than a director, supervisor and chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company according to record of the register of interests and short positions required to be kept under section 336 of the SFO of Hong Kong are as follows:

Name of shareholder	Type of shares held	Number of shares *(shares)*	Capacity	Percentage of such shares in the issued shares of the same class *(%)*	Percentage of such shares in the total issued shares *(%)*
Shenzhen Capital Group *(Note 1)*	A shares	350,000,000 (L)	Interest of corporation controlled by the substantial shareholder	22.80%	9.74%
	H shares	719,089,532 (L)	Interest of corporation controlled by the substantial shareholder	34.91%	20.00%
China Merchants Group *(Note 2)*	H shares	880,429,220 (L)	Interest of corporation controlled by the substantial shareholder	42.74%	24.49%
	H shares	103,488,035 (S)	Interest of corporation controlled by the substantial shareholder	5.02%	2.88%
CITIC – Prudential Life Insurance Co., Ltd.	A shares	19,733,298 (L)	Beneficial holder	1.29%	0.55%
	H shares	182,273,280 (L)	Beneficial holder	8.85%	5.07%

(L) Long position (S) Short position

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

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

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

4.4 Information on Substantial Shareholders

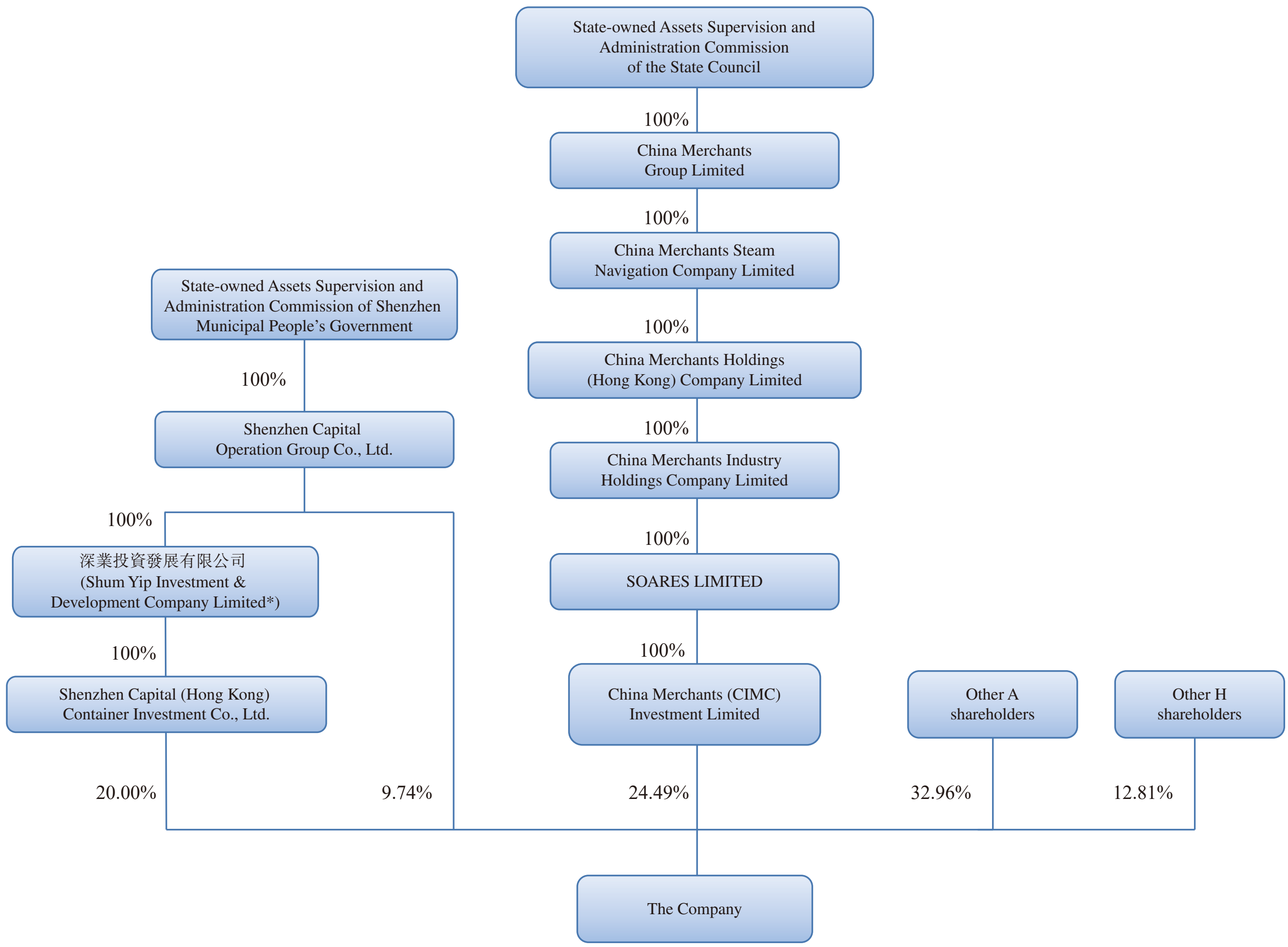
The Company has no controlling shareholder or actual controller, and there was no change during the Reporting Period. As of the end of the Reporting Period, the substantial shareholders of the Company are Shenzhen Capital Group and China Merchants Group.

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

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

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

Chart of shareholding structure between the Company and the substantial shareholders as at the end of the Reporting Period



5 REPORT OF THE BOARD

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

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

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

5.1 Overview

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

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

5.2 Review of the Principal Businesses during the Reporting Period

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

(I) In logistics field:

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

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

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

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

As a result, during the Reporting Period, the production and sales volume of the Group's containers reached a record high as compared to the same periods of previous years, and the revenue and net profit of the container business also recorded significant increases as compared with the same period in 2020. During the Reporting Period, the accumulated sales volume of ordinary dry containers of the Group reached 1,145,500 TEUs (same period in 2020: 358,300 TEUs), representing a year-on-year increase of 219.70%; the accumulated sales volume of reefer containers reached 94,500 TEUs (same period in 2020: 53,600 TEUs), representing a year-on-year increase of 76.31%; the container manufacturing business of the Group recorded a revenue of RMB27,450.809 million (same period in 2020: RMB8,448.783 million), representing a year-on-year increase of 224.91%, and a net profit of RMB4,393.882 million (same period in 2020: RMB238.928 million), representing a year-on-year increase of 1739%.

Expand the road transportation vehicles business

CIMC Vehicles (Group) Co., Ltd. ("**CIMC Vehicles**"), a subsidiary of the Group, is principally engaged in the manufacture and sale of semi-trailers, truck bodies for specialty vehicles and refrigerated van bodies. CIMC Vehicles' product portfolio mainly include (1) global semi-trailer products, comprising skeletal container semi-trailers, flatbed trucks and their derivatives, curtain side semi-trailers, van semi-trailers, refrigerated semi-trailers, tank semi-trailers and other special types of semi-trailers; (2) truck bodies for domestic specialty vehicles, comprising urban muck truck bodies, cement mixer truck bodies and fully-assembled vehicles; and (3) refrigerated van bodies products.

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

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

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

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

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

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

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

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

Leveraging the logistics services business

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

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

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

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

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

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

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

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

(II) In Energy field:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(IV) Innovative Businesses that highlight the advantage of CIMC

Modular Building Business:

CIMC Modular Building Investment Company Limited ("**CIMC Modular**"), a subsidiary of the Group, is engaged in the modular building business. As a company that is customer-centric, technology-led and innovation-driven, CIMC Modular develops a one-stop service model of "manufacturing + finance + service" integrating the production and finance, striving to become a technological leader in global green modular buildings. During the Reporting Period, apart from the original Grade A design construction qualification, CIMC Modular obtained the Class 2 general construction contracting qualification, which further strengthened its qualifications and capabilities.

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

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

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

Cold Chain Business:

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

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

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

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

Integrated Container Equipment Business

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

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

5.3 Prospects and Initiatives

5.3.1 Macroeconomic Environment and Policies in the Second Half of 2021

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

5.3.2 Industry Development Trend and Market Outlook

(1) In the Logistics Field:

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

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

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

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

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

(2) In the Energy Industries Field:

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

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

(3) Finance and Asset Management Business:

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

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

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

5.3.2 Overall Operation Targets for Business Development and Initiatives of the Group in the Second Half of 2021

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

(1) In the Logistics Field:

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

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

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

In respect of the logistics services business: In the second half of 2021, in the face of changes of internal and external environments, the logistics services business of the Group will remain committed to becoming the leader characterizing with "equipment + service" in multimodal transport industry in the PRC. Under the background of domestic and international dual circulation, the Group accelerates the development of its global network layout, and strives to seize the window period of rapid development of industry development. Following the strategy of "one brand, one team and one goal", it will promote the connection, communication and concentration of the business sectors, enhance the capabilities of strategic leading, organizing and empowering, and business promoting, and advance the profound combining of products, customers and strategic resources to realize high-speed and high-quality development of the overall business.

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

(2) In the Energy Industries Field:

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

In respect of the offshore engineering business: In the second half of 2021, the Group will continue to actively carry out business transformation and layout of the offshore engineering business, actively explore the introduction of strategic investors, focus on loss reduction, and implement profitability improvement plans. The Group plans to implement the following measures: (1) de-stocking: pursuing leasing and disposal of existing assets and improving asset operation and management mechanism; (2) structure adjustment: stabilizing the industrial fluctuation cycle and the industrial structure with high-tech products to form a 50/50 business portfolio and production capacity allocation for oil and gas and non-oil and gas businesses; (3) resource integration: leveraging on the core capabilities of the industrial chain (design/equipment) to integrate the state-owned enterprises and leading domestic and foreign enterprises, and strive to become a member of the offshore industrial chain ecosystem; (4) management upgrade: adhering to refined management, starting a new business to continue to introduce intelligent digital technology and build offshore engineering intelligent design platform.

(3) Finance and Asset Management Business:

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

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

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

5.3.3 Major Risk Factors of the Group

In the second half of 2021, the business operation environment of the Group will still be exposed to the following macroeconomic and policy adjustment risks.

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

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

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

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

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

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

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

- **COVID-19 related risks:** The world was facing a more severe and complex economic situation as COVID-19 had swept the globe and Delta, the highly infectious coronavirus variant, further spread recently. Although COVID-19 is effectively contained in China currently, it further spreads in other countries and regions, and the development in other countries is subject to high uncertainty, all of which have a more complex impact on China's economy. In response to the severe situation faced by the Group in such a special period, the Group has adopted a series of key measures, such as establishing a "Special Period Decision-making Committee", further enhancing the awareness of risk management and control, and implementing the management and control measures.

6 MANAGEMENT DISCUSSION AND ANALYSIS (PREPARED IN ACCORDANCE WITH RELEVANT REQUIREMENTS OF THE HONG KONG LISTING RULES)

The financial data below is extracted from the unaudited 2021 interim financial statements prepared by the Group in accordance with CASBE. The following discussion and analysis should be read together with the 2021 interim financial statements and theirs notes set forth in other chapters of the Announcement.

Changes in Accounting Policies for the Reporting Period

For changes in accounting policies for the Reporting Period, please refer to "11.2 Explanation for Changes in Accounting Policy, Accounting Estimates and Calculation Method as Compared with those for the Financial Report of the Previous Year" in the Announcement.

6.1 Key Financial Figures Analysis

Consolidated Operating Results

During the Reporting Period, the Group recorded revenue of RMB73,184.549 million (same period in 2020: RMB39,431.807 million), representing a year-on-year increase of 85.60%, and net profit attributable to shareholders and other equity holders of the parent company of RMB4,297.459 million (same period in 2020: net loss of RMB182.797 million), representing a turnaround from loss. For details, please refer to "5.1 Overview" and note 6 of "11 2021 Interim Financial Report" in the Announcement.

Composition of Principal Businesses during the Reporting Period

Unit: RMB thousand

	Revenue (unaudited)	Cost of sales (unaudited)	Gross profit Margin (unaudited)	Changes in revenue from the same period of the previous year	Changes in cost of sales from the same period of the previous year	Changes in gross profit margin from the same period of the previous year
By industry/product						
Container	27,450,809	20,811,613	24.19%	224.91%	174.37%	13.97%
Road transportation vehicles	17,711,844	15,927,568	10.07%	58.28%	62.97%	(2.60%)
Energy, chemical and liquid food equipment	8,314,992	7,023,079	15.54%	43.42%	41.44%	1.18%
Offshore engineering	2,818,678	2,731,076	3.11%	11.51%	8.38%	2.79%
Airport facilities and logistics, fire safety and rescue	2,833,005	2,226,467	21.41%	29.31%	29.87%	(0.34%)
Heavy trucks	872,677	864,679	0.92%	(0.94%)	(4.04%)	3.21%
Logistics services	9,925,645	9,312,891	6.17%	122.97%	124.16%	(0.50%)
Finance and asset management	1,052,589	620,406	41.06%	(7.24%)	(25.19%)	14.15%
Recycled load	2,626,783	2,162,079	17.69%	104.18%	87.85%	7.15%
Others	2,238,473	1,940,856	13.30%	52.20%	52.46%	(0.14%)
Elimination between segments	(2,660,946)	(2,578,760)	3.09%	(119.83%)	100.64%	9.27%
Total	73,184,549	61,041,956	16.59%	85.60%	77.62%	3.74%
By region (by receiver)						
China	38,036,716	–	–	55.57%	–	–
America	12,616,824	–	–	163.11%	–	–
Europe	14,536,134	–	–	127.31%	–	–
Asia (regions excluding China)	6,553,420	–	–	101.45%	–	–
Others	1,441,455	–	–	167.70%	–	–
Total	73,184,549	–	–	85.60%	–	–

Segment information

For details of the segment information of the Group during the Reporting Period, please refer to "5.2 Review of the Principal Businesses during the Reporting Period" and note 13 of "11 2021 Interim Financial Report" in the Announcement.

Gross profit margin and profitability

During the Reporting Period, the gross profit margin of the Group was 16.59% (same period in 2020: 12.85%), representing a year-on-year increase of 3.74%. Among the principal businesses, the gross profit margin of the containers manufacturing business, finance and asset management business and recycled load business increased, and the gross profit margin of the remaining segments remained basically stable or slightly decreased as compared with the same period of the previous year.

Non-operating income

During the Reporting Period, the non-operating income of the Group was RMB56.763 million (same period in 2020: RMB83.485 million), representing a year-on-year decrease of 32.01%, which were mainly due to the higher amount that could not be paid in the same period last year. For details, please refer to note 8 of "11 2021 Interim Financial Report" in the Announcement.

Research and development expenses

During the Reporting Period, the research and development expenses of the Group were RMB935.346 million (same period in 2020: RMB589.085million), representing a year-on-year increase of 58.78%, which were mainly due to the significant increase in research and development investment to further improve independent innovation capacity for the period.

Sales expenses

During the Reporting Period, the sales expenses of the Group were RMB1,074.778 million (same period in 2020: RMB931.718 million), representing a year-on-year increase of 15.35%.

Financial expenses

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

General and administrative expenses

During the Reporting Period, the general and administrative expenses of the Group were RMB2,811.454 million (same period in 2020: RMB2,080.199 million), representing a year-on-year increase of 35.15%, which was mainly due to an increase in management labour costs and bonus accruals as a result of improved performance during the Reporting Period, compared to a lower base for management labour and bonus accruals for the same period of the previous year due to performance losses and the receipt of policy benefits such as social security during the epidemic.

Income tax expenses

During the Reporting Period, the income tax expenses of the Group were RMB1,813.717 million (same period in 2020: RMB399.132 million), representing a year-on-year increase of 354.42%, which was mainly due to an increase in profit before tax for the period. For details, please refer to note 9 of "11 2021 Interim Financial Report" in the Announcement.

Minority profit or loss

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

Liquidity and capital source

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2021, the Group's cash at bank and on hand amounted to RMB13,152.813 million (31 December 2020: RMB12,181.415 million), representing an increase of 7.97% as compared with the end of the previous year. The Group's funds mainly consist of funds from operations, bank loans and other borrowings. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the due bank loans and ensure the business development.

During the Reporting Period, the Group recorded net cash flows from operating activities of RMB6,261.059 million (same period in 2020: RMB2,242.911 million), net cash flows from investing activities of RMB(2,010.629) million (same period in 2020: RMB(885.872) million) and net cash flows from financing activities of RMB(3,202.638) million (same period in 2020: RMB561.330 million). As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB12,347.334 million (same period in 2020: RMB10,535.347 million) and the main currencies were RMB and US dollar.

Bank loans and other borrowings

As at 30 June 2021, the Group's short-term borrowings, non-current borrowings due within one year, debentures payable due within one year, long-term borrowings and debentures payable in aggregate amounted to RMB45,728.956 million (31 December 2020: RMB48,444.491 million).

Unit: RMB thousand

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

The Group's bank borrowings are mainly denominated in US dollars, with the interest payments computed using fixed rates and floating rates. As at 30 June 2021, the Group's long-term interest-bearing debts are mainly RMB-denominated floating rate contracts amounted to RMB15,408,983 (31 December 2020: RMB12,222,594). The interest rate range of the Group's short-term borrowings is 0.34% to 4.85% (31 December 2020: 1.11% to 4.90%), and the interest rate range of long-term borrowings is 1.20% to 6.87% (31 December 2020: 1.20% to 6.87%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB13,556.495 million (31 December 2020: approximately RMB14,441.604 million). The long-term borrowings are mainly matured within five years. There is no seasonal feature in respect of the Group's need for borrowing, which is mainly based on the Group's capital and business needs.

The Group's issued debentures are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 30 June 2021, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB8,182.461 million (31 December 2020: RMB8,107.360 million), with the interest rates range from 3.63% to 4.29% and maturity dates mainly spreading over three years.

Other equity instruments

Unit: RMB thousand

	31 December 2020	Issued during the period	Carrying interest at par value	Paid during the period	Other increase for the period	30 June 2021
18 Marine Containers MTN002 (i) (18海運集裝MTN002 (i))	**2,006,165**	**–**	**51,700**	**–**	**–**	**2,057,865**
18 Renewable Corporate Bonds Tranche 1 (ii)	**2,001,380**	**–**	**48,500**	**–**	**–**	**2,049,880**
Perpetual Bond Investment Agreement (iii)	**300,497**	**–**	**814**	**(301,311)**	**–**	**–**
Total	**4,308,042**	**–**	**101,014**	**(301,311)**	**–**	**4,107,745**

	31 December 2019	Issued during the year	Carrying interest at par value	Paid during the year	Other increase for the year	31 December 2020
18 Marine Containers MTN002 (i) (18海運集裝MTN002 (i))	2,006,165	–	103,400	(103,400)	–	2,006,165
18 Renewable Corporate Bonds Tranche 1 (ii)	2,001,380	–	97,000	(97,000)	–	2,001,380
Perpetual Bond Investment Agreement (iii)	–	2,000,000	73,579	(1,773,082)	–	300,497
Total	4,007,545	2,000,000	273,979	(1,973,482)	–	4,308,042

(i) Approved by the Notice of Zhong Shi Xie Zhu No. [2016]MTN591 from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會), the Company issued a cumulative perpetual bond with no fixed term of repayment on 24 October 2018 ("**18 Hai Yun Ji Zhuang MTN002**"), with an aggregate nominal amount of RMB2 billion and an initial fixed interest rate of 5.17%. The other principal terms of the perpetual bond are as follows:

(1) No definite principal repayment date has been set for the bond, and the issuer shall repay the principal and all the unpaid interest on the redemption date.

(2) The bond confers the issuer the option to defer interest payment, and unless a mandatory interest payment event has occurred, on each interest payment date of the bond, the issuer can elect to defer payment of current interest and all interest deferred pursuant to this clause and its fruits to the next interest payment date without any limitation on the number of times of such deferral.

(3) If the issuer has paid dividends to ordinary shareholders or reduced the registered capital within 12 months prior to the payment of interest, it shall not defer the current interest and all the interest and fruits deferred in accordance with the agreement. If the issuer has chosen to defer the current interest and all interest and fruits deferred in accordance with the agreement, it shall not pay dividends to ordinary shareholders or reduce the registered capital.

(ii) Approved by the Notice of Zheng Jian Xu Ke No. [2018]1858 from the China Securities Regulatory Commission, the Company issued a cumulative perpetual bond with no fixed term of repayment ("**18 Renewable Corporate Bonds Tranche 1**") on 3 December 2018, with an aggregate nominal amount of RMB2 billion and an initial fixed interest rate of 4.85%. The other principal terms of the perpetual bond are as follows:

(1) Every 3 years constitute a repricing period of the bond. At the end of each repricing period, the issuer is entitled to extend the maturity of the bond by 1 repricing period.

(2) The bond confers the issuer the option to defer interest payment, and unless a mandatory interest payment event has occurred, on each interest payment date of the bond, the issuer can elect to defer payment of current interest and all interest deferred pursuant to this clause and its fruits to the next interest payment date without any limitation on the number of times of such deferral.

(3) If the issuer has paid dividends to ordinary shareholders or reduced the registered capital within 12 months prior to the payment of interest, it shall not defer the current interest and all the interest and fruits deferred in accordance with the agreement. If the issuer has chosen to defer the current interest and all interest and fruits deferred in accordance with the agreement, it shall not pay dividends to ordinary shareholders or reduce the registered capital.

As the perpetual bond did not constitute a contractual obligation to pay cash or other financial assets that the Company could not avoid, it was classified as an equity instrument and presented as other equity instruments.

(iii) On 30 April 2020, the Company and a bank entered into an agreement stipulating that the bank shall invest in the Company's perpetual bond with the funds legally raised and entitled to be used by issuing bank financial management plans, and the total amount of investment capital received by the Company was RMB2,000,000,000. The investment plan was made for general corporate financing purposes and the initial investment period was 24 months with an initial investment interest rate of 5.5%.

The investment plan does not have a fixed maturity date and the Company may apply to the bank for partial or full redemption of the perpetual bond on the date corresponding to and on any date after the expiry of 6 months from the placement date of the investment fund of the perpetual bond. Before the settlement of the deferred interest (including the interest of deferred interest), the Company cannot carry out distribution of dividend, capital reduction or other actions.

As at 30 June 2021, the Company has fully redeemed all of the perpetual bond.

As the aforementioned perpetual bond did not constitute a contractual obligation to pay cash or other financial assets that the Company could not avoid, it was classified as an equity instrument and presented as other equity instruments.

Capital structure

The Group's capital structure consists of equity interest attributable to shareholders and liabilities. As at 30 June 2021, the Group's equity interest attributable to shareholders amounted to RMB57,211.941 million (31 December 2020: RMB53,853.844 million) in aggregate, total liabilities amounted to RMB100,223.852 million (31 December 2020: RMB92,357.667 million) and total assets amounted to RMB157,435.793 million (31 December 2020: RMB146,211.511 million). The Group is committed to maintaining an appropriate combination of equity and debt in order to maintain an effective capital structure and provide maximum returns for shareholders of the Company.

As at the end of the Reporting Period, the Group's gearing ratio was 63.66% (31 December 2020: 63%), which increased by 0.66% as compared with the end of the previous year. (Calculation of the gearing ratio: based on the Group's total liabilities divided by our total assets as at the end of the Reporting Period.)

Foreign exchange risk and relevant hedge

The major currency of the Group's business revenue is US dollars, while most of its expenditure is made in RMB. Currently, the Chinese government adopts a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies, and RMB is still subject to control under the capital account. As the exchange rates of RMB are affected by domestic and international economic and political situations as well as the demand and supply of RMB, the exchange rates of RMB against other currencies may be different from the current rates in the future, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group's operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk.

RMB thousand

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

(1) Forward foreign exchange contracts

As at 30 June 2021, the forward foreign exchange contracts of the Group mainly consisted of unsettled forward contracts denominated in US dollars, Japanese Yen, Great Britain Pound, Euro, HK dollar, AUD and SKE, the nominal value of which amounted to USD7,109.754 million, JPY996.422 million, GBP12 million, EUR195.833 million, HKD100.09 million, AUD4 million and SKE30 million, respectively. Pursuant to these forward contracts, the Group shall buy/sell US Dollar, Japanese Yen, Great Britain Pound, Euro, HK dollar, Australian Dollar and SKE, with contracted nominal value at agreed rates in exchange of RMB on the contract settlement dates. These 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 forward contracts range from 1 July 2021 to 30 November 2022.

(2) Foreign exchange option contracts

As at 30 June 2021, the Group had certain unsettled forward contracts, mainly denominated in USD. The nominal value of these contracts amounted to USD140,000,000. Pursuant to these future contracts, the Group are required to buy/sell USD of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These future contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts will be on 1 December 2021.

(3) Interest rate swap contracts

As at 30 June 2021, the Group had four unsettled interest swap contracts denominated in USD, with a nominal value amounted to a total of USD1,350,000,000. Their fair value of RMB14,557,000 was accounted as liabilities, all of which was included in current liabilities. The settlement dates of the aforesaid interest rate swap contracts ranges from 7 March 2022 to 30 March 2022.

(4) Commitment to minority shareholders

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

Interest rate risk

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 30 June 2021, the Group held four unsettled interest rate swap contracts denominated in U.S. dollars, the nominal value of which amounted to a total of USD1,350,000,000. Their fair value of RMB14,557,000 was accounted as liabilities, all of which were included in current liabilities. These contracts will expire from 7 March 2022 to 30 March 2022.

Market risks

For details of the Group's market risks, please refer to "5.3.3 Major Risk Factors of the Group" of "5.3 Prospects and Initiatives" in this Announcement.

Credit risk

The Group's exposures to credit risk are mainly attributable to cash at bank and on hand, accounts receivable and derivative financial instruments for the purpose of hedging. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group, the Group and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. Management will monitor these credit risk exposures on an ongoing basis.

Pledge of assets

As at 30 June 2021, the restricted assets of the Group totally amounted to RMB4,314.878 million (31 December 2020: RMB9,465.867 million), representing a decrease of 54.42% as compared with the end of the previous year. For details, please refer to note 14 of "11 2021 Interim Financial Report" in the Announcement.

Capital commitments

As at 30 June 2021, the Group had capital expenditure commitments of approximately RMB169.786 million (31 December 2020: approximately RMB118.935 million), representing an increase of 42.76% as compared with the end of the previous year, which were mainly fixed assets purchase contracts which have been entered into but not performed or performed partially. For details, please refer to note 16(1) of "11 2021 Interim Financial Report" in the Announcement.

Contingent liability

As at 30 June 2021, the Group had no contingent liabilities (31 December 2020: the Group did not have contingent liabilities).

Significant investments and major acquisitions and disposals relating to subsidiaries, associated companies and joint ventures

During the Reporting Period, there were no significant investments and major acquisitions and disposals relating to subsidiaries, associated companies and joint ventures. During the Reporting Period, no significant investment accounted for 5% or more of the total assets of the Company at the balance sheet date.

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 "5.3.2 Overall Operation Targets for Business Development and Initiatives of the Group in the Second Half of 2020" in the Announcement. The operating and capital expenditures of the Group are mainly financed by our own fund and external financing. Concurrently, the Group will take a prudent attitude in order to enhance its future operating cash flow. According to the changes in economic situation and operating environment, as well as the needs of the Group's strategic upgrade and business development, the capital expenditure of the Group is expected to be approximately RMB7.3 billion in 2021, among which approximately RMB2.17 billion was actually occurred in the first half of this year, mainly used in the acquisition of fixed assets, intangible assets and other long-term assets etc. The Group will continue to consider various types of financing arrangements.

Use of proceeds from global offering of CIMC Vehicles

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

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

The use of the net proceeds from the Global Offering and its utilization as of 30 June 2021, which are intended to be utilized in the next five years after the Listing Date of H shares, are as follows:

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

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

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

Employees and remuneration policies

As at 30 June 2021, the Group had approximately 53,928 employees in total (30 June 2020: approximately 51,155 employees) in the PRC. The total staff cost of the Group during the Reporting Period, including directors' remuneration, contribution to the retirement benefit schemes and share option schemes, amounted to RMB5,852.611 million (same period in 2020: RMB3,964.434 million), representing a year-on-year increase of 47.63%.

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

Employee training programme

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

Employee pension scheme

The Group has provided employees with basic pension insurance arranged by local human resources and social security bureaus. The Group makes contributions to the pension insurance at the applicable rates monthly based on the amounts stipulated by the government organization. When employees retire, the local human resources and social security bureaus are responsible for the payment of the basic pension benefits to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognised as liabilities during the accounting periods when the employees render services and are charged to profit or loss or capitalized in costs of related assets.

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

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

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

Dividend distribution

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

Significant events during the Reporting Period

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

2. On 29 March 2021, as considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company, the Company proposed to amend certain articles of the Articles of Association of China International Marine Containers (Group) Co., Ltd. (the "**Articles of Association**") and the Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd. (the "**Rules of Procedure for the General Meeting**"), which has been considered and approved at the annual general meeting for 2020 convened on 2 June 2021 by the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2021–031 and [CIMC] 2021–060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 29 March 2021 and 2 June 2021.

3. On 29 March 2021, as considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company, the Company proposed the registration issuance of debt financing instruments of the Association of Financial Market Institutional Investors with an issue size not exceeding a total of RMB12 billion. Such registration issuance has bee considered and approved at the annual general meeting for 2020 convened on 2 June 2021 by the Company and is subject to the registration with the National Association of Financial Market Institutional Investors. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2021–032 and [CIMC] 2021–060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 29 March 2021 and 2 June 2021.

4. On 29 March 2021, Resolution Regarding the Appointment of the Senior Management and Resolution Regarding the Approval on Appointment of the Authorised Representative, Joint Company Secretary and Representative of Securities Affairs were considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company. It was agreed to (1) re-appoint Mr. Huang Tianhua and Mr. Yu Yuqun as the vice presidents of the Company for a term of three years from the date of approval by the seventh meeting in 2021 of the ninth session of the Board and ending on the conclusion of the Board for 2024; appoint Mr. Wu Sanqiang as the secretary to the Board/a joint company secretary of the Company for a term of three years from 30 March 2021 and ending on the conclusion of the Board for 2024 according to the nomination by Mr. Mai Boliang (as chairman and CEO); (2) appoint Mr. Wu Sanqiang as an authorised representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with effect from 30 March 2021. The capacity as an authorised representative of Mr. Mai Boliang, a director, remains unchanged. Ms. He Linying was appointed as the alternative authorised representative of the Company; (3) appoint Ms. He Linying as the representative of securities affairs of the Company and a joint company secretary with effect from 30 March 2021. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2021–033) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 29 March 2021.

5. On 25 January 2021, CIMC TianDa officially delisted from the Hong Kong Stock Exchange by way of scheme of arrangement. On 16 April 2021, the Resolution on Proposed Listing of CIMC-TianDa Holdings Company Limited was considered and approved at the tenth meeting in 2021 of the ninth session of the Board of the Company, which approves: the planning of an initial public offering of RMB-denominated ordinary shares (A shares) of CIMC TianDa in the PRC and listing on the Shenzhen Stock Exchange by the Company, which has been considered and approved at the annual general meeting for 2020 convened on 2 June 2021 by the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020–080, [CIMC] 2020–103, [CIMC] 2021–004, [CIMC] 2021–043, [CIMC] 2021–044 and [CIMC] 2021–060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 4 October 2020, 8 October 2020, 24 December 2020, 21 January 2021, 16 April 2021 and 2 June 2021.

6. On 17 May 2021, the Resolution on Proposed Listing of CIMC Safeway Technology Co., Ltd on the ChiNext of the Shenzhen Stock Exchange was considered and approved at the thirteenth meeting in 2021 of the ninth session of the Board of the Company, which agreed with the proposed offering of A shares by and listing of CIMC Safeway Technology Co., Ltd, a holding subsidiary of CIMC Enric on the ChiNext of the Shenzhen Stock Exchange, and the Company will vote in favor of resolution on the listing proposal at its special general meeting. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2021–049) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 17 May 2021.

7. On 18 June 2021, the Resolution on Consideration of the Second Tranche Bonus Balance Fund Trust Scheme under the Profit Sharing Scheme was considered and approved at the sixteenth meeting in 2021 of the ninth session of the Board of the Company: approval of setting up the second tranche trust scheme with the bonus balance fund under the profit sharing scheme of RMB143 million pursuant to the Trust and Operation Scheme for Surplus Fund under the Profit Sharing Scheme of CIMC Group considered and approved at the annual general meeting for 2019; approval of the term of the second tranche trust scheme to be 60 months. On 21 June 2021, the Company issued the Trust Contract for CITIC Trust Zhongcuiying Trust Project Phase 202101 of China International Marine Containers (Group) Co., Ltd (《中國國際海運集裝箱(集團)股份有限公司中信信託中萃盈信託項目202101期信託合同》). On 30 June 2021 and 2 August 2021, the Company issued the progress of implementation for the second phase of the trust plan. As at the date of this report, the Partnership under the second phase of the trust plan purchased 6,484,200 H Shares of the Company cumulatively through the Southbound Stock Connect in the secondary market, which accounted for 0.1804% of the total share capital of the Company. The average transaction price was HKD16.91 per share (tax and fees exclusive). For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2021–063, [CIMC] 2021–067 and [CIMC] 2021–073) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 18 June 2021, 21 June 2021, 30 June 2021 and 2 August 2021.

8. On 30 June 2021, the Company and Yantai Guofeng Investment Holdings Group Co., Ltd. entered into the Strategic Cooperation Agreement between Yantai Guofeng Investment Holdings Group Co., Ltd. and China International Marine Containers (Group) Co., Ltd. on Joint Establishment of a Leading Platform for Development of Deep-sea Industry (the "**Strategic Cooperation Agreement**"). Both parties intend to integrate high-quality assets, to jointly promote the development of deep-sea industry. The Strategic Cooperation Agreement entered into is a framework cooperation agreement, the final implementation shall be subject to entering into a separate formal cooperation agreement, and there is still uncertainty. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2021–066) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 30 June 2021.

9. On 5 February 2021, CIMC Financial Leasing Company, a subsidiary of the Company, intended to establish the asset-backed securities program through program managers and proposed to apply to the Shenzhen Stock Exchange for the registration and issuance of asset-backed securities for medical devices leasing with a size not exceeding RMB370 million and to apply for the shelf offering of asset-backed securities for small and micro-sized vehicles leasing with a size not exceeding RMB2.5 billion. The issuance plan is not required to be submitted to the general meeting of the Company for consideration. The final issuance plan is subject to the approval of the Shenzhen Stock Exchange. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (announcement No.: [CIMC] 2021–008) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 5 February 2021.

10. On 7 July 2021, CIMC Vehicles completed A Share Offering, and the A Shares of CIMC Vehicles will be listed and commence trading on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2021–050, [CIMC]2021–065 and [CIMC]2021–069) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 19 May 2021, 21 June 2021 and 7 July 2021.

Other Listed Company Equities Held

Unit: RMB thousand

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

Investment in Derivatives

Unit: RMB thousand

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

Source of funds for derivatives investments	Self-owned funds
Litigation case (if applicable)	N/A
Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any)	Nil
Disclosure date of announcement in relation to the consideration and approval of derivative investments by the shareholders' general meeting (if any)	Nil
Risk analysis and explanations on risk control measures for positions in derivatives during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operation risk and legal risk etc.)	As at 30 June 2021, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, interest rate swap contracts, foreign exchange option contracts and futures contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forwards and foreign exchange option were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The risk in steel futures contracts was related to fluctuations in raw material prices. The Group's control measures on the derivative financial instruments were mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as for derivatives transactions, the Group formulated rigorous internal approval systems and business operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.
Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives	From January to June 2021, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB(127.546) million. Fair values of the derivative financial instruments of the Group were determined based on quoted market prices of external financial institutions.
Explanations on any significant changes in the Company's accounting policies and specific accounting principles on derivatives for the Reporting Period as compared with those for the last reporting period	No
Specific opinions of independent Directors on the derivatives investments and risk control of the Company	The Company carried out derivatives hedging activities for the purpose of the day-to-day international business operations of the Company in order to smooth or lower the uncertainty impact of the operations of the Company due to the change in exchange rates and interest rates and fluctuations of raw material spot prices while adhering to the fundamental principle of value-preserving and prohibiting speculative practice. The Company has attached great importance to and continuously enhanced the management of derivatives hedging activities as well as developed and continuously improved relevant management systems. The relevant consideration and voting procedure is compliant with the requirements of the laws and regulations and the Articles of Association and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.

Social responsibilities

During the Reporting Period, the Group maintained a stable and healthy development and constantly performed corporate social responsibilities by making contributions to the economic growth, employment and development of the society. The Company has published the 2020 Social Responsibility & Environmental, Social and Governance Report on the website of the Hong Kong Stock Exchange on 29 March 2021. In the future, the Group will continue to deepen industrial transformation and upgrade, pay attention to quality growth, so as to provide high-quality products and services to its customers, provide more training and rewards to its employees, and create greater value for shareholders.

Events after the balance sheet date

For details of events after the balance sheet date during the Reporting Period, please refer to note 18 of "11 2021 Interim Financial Report" in the Announcement.

Disclosure under the Hong Kong Listing Rules

In accordance with paragraph 46 of Appendix 16 of the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2020 Annual Report of the Company.

7 PURCHASE, SALE AND REDEMPTION OF SHARES

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

8 COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

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

9 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to raising the standard of corporate governance of the Group and believes that good corporate governance helps the Group to safeguard the interests of the Shareholders and improve its business performance. The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules (including the new code provisions in relation to internal control and risk management) during the Reporting Period, except for the deviation from the code provision A.1.1 and code provision A.2.1. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

Code provision A.1.1 under the Corporate Governance Code requires that "The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present. During the Reporting Period, the Company held 16 board meetings, of which only one meeting was held on-site. The executive Directors manage and monitor the business operation and propose to hold board meetings to have discussions and make decisions on the Group's major business or management matters from time to time. Accordingly, certain relevant decisions were made by all Directors by way of written resolutions. The Directors are of the opinion that, the fairness and validity of the decisions made for the business had adequate assurance. The Company will strive to put effective corporate governance practices into practice in future.

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

9.1 The Board of Directors

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

During the Reporting Period, the ninth session of the Board, comprising 9 Directors, held 16 board meetings, of which 1 meeting was held on-site, 15 meetings were held in a way of written review resolutions with 56 resolutions being reviewed.

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

9.2 Board Committees

During the Reporting Period, a total of 13 meetings were held by the committees of the Board with 16 letters of opinion from Board Committees passed.

9.3 The Supervisory Committee

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

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

9.4 Shareholders' General Meeting

On 11 March 2020, the Company held the first extraordinary general meeting for 2021. On 7 April 2021, the Company held the second extraordinary general meeting for 2021. On 2 June 2021, the Company held the annual general meeting for 2020. On 18 June 2021, the Company held the third extraordinary general meeting for 2021. The notice, convening, holding and voting procedures of such meetings were in compliance with the relevant requirements of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules.

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

10 AUDIT COMMITTEE

The Board has appointed three independent non-executive Directors and established the Audit Committee pursuant to the requirements of the Hong Kong Listing Rules. The members of the Audit Committee consist of Mr. HE Jiale (Chairman of the Audit Committee with professional qualifications and experience in relation to financial management such as accounting), Mr. PAN Zhengqi and Ms. LUI FUNG Mei Yee, Mabel.

On 27 August 2021, the Audit Committee has discussed with the management and reviewed the 2021 interim financial report of the Group and agreed to present the same to the Board.

11 2021 INTERIM FINANCIAL REPORT

11.1 Auditing Opinion

✔ Unaudited ☐ Audited

11.2 Explanation for Changes in Accounting Policy, Accounting Estimates and Calculation Method as Compared with those for the Financial Report of the Previous Year

☐ Applicable ✔ Not applicable

11.3 Contents, Amount Corrected, Reason and Impact of Material Accounting Errors during the Reporting Period

☐ Applicable ✔ Not applicable

11.4 Explanation for Change in Consolidated Scope Compared with the Financial Report of the Previous Year

There was no material business combinations not under common control, nor was there a material loss of control of subsidiaries by disposal of equity interests in the Group during the Reporting Period.

11.5 Statements of the Board and the Supervisory Committee on the "Non-Standard Auditing Report" issued by the Accountant

☐ Applicable ✔ Not applicable

11.6 Financial Statements Prepared in Accordance with CASBE

11.6.1 Consolidated Balance Sheet (unaudited)

Unit: RMB thousand

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

11.6.1 Consolidated Balance Sheet (unaudited) (continued)

Unit: RMB thousand

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

11.6.2 Balance Sheet (unaudited)

Unit: RMB thousand

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

11.6.2 Balance Sheet (unaudited) (continued)

Unit: RMB thousand

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

11.6.3 Consolidated Income Statement (unaudited)

Unit: RMB thousand

ITEMS		*Note*	**January – June 2021**	January – June 2020
I.	**Revenue**	*6*	**73,184,549**	39,431,807
	Less: Cost of sales	*6*	**61,041,954**	34,366,232
	Taxes and surcharges		**265,473**	341,867
	Selling and distribution expenses		**1,074,778**	931,718
	General and administrative expenses		**2,811,454**	2,080,199
	Research and development expenses		**935,346**	589,085
	Financial expenses		**826,403**	674,273
	Including: Interest expenses		**716,122**	891,761
	Interest income		**139,818**	211,190
	Asset impairment losses	*7*	**111,089**	17,905
	Credit impairment losses	*7*	**157,053**	91,208
	Add: Other income		**251,849**	358,619
	Investment income		**681,913**	118,283
	Including: Share of (loss)/profit of associates and joint ventures		**(97,261)**	54,891
	Fair value (losses)		**(125,914)**	(337,487)
	Gains on disposals of assets		**120,528**	109,946
II.	**Operating profit**		**6,889,375**	588,681
	Add: Non-operating income	*8*	**56,763**	83,485
	Less: Non-operating expenses		**86,925**	30,816
III.	**Profit before income tax**		**6,859,213**	641,350
	Less: Income tax expenses	*9*	**1,813,717**	399,132
IV.	**Net profit**		**5,045,496**	242,218
	Classified by business continuity			
	Net profit from continuing operations		**5,045,496**	242,218
	Net profit from discontinued operations		**–**	–
	Classified by ownership			
	Net profit attributable to Shareholders and other equity holders of the Company		**4,297,459**	(182,797)
	Profit or loss attributable to minority Shareholders	*10*	**748,037**	425,015

11.6.3 Consolidated Income Statement (unaudited) (continued)

Unit: RMB thousand

ITEMS	*Note*	**January – June 2021**	January – June 2020
V. Other comprehensive income, net of tax		**(138,910)**	(122,442)
Attributable to shareholders and other equity holders of the Company		**(107,841)**	(138,652)
Items that will not be reclassified to profit or loss		**(61,155)**	(174,988)
Changes in fair value of other equity investments		**(61,155)**	(174,988)
Items that may be reclassified to profit or loss		**(46,686)**	36,336
Changes in fair value of other debt investments		**–**	5
Currency translation differences		**(46,686)**	36,331
Minority interests		**(31,069)**	16,210
VI. Total comprehensive income		**4,906,586**	119,776
Attributable to shareholders and other equity holders of the Company		**4,189,618**	(321,449)
Minority interests		**716,968**	441,225
VII. Earnings per share			
Basic earnings per share *(RMB)*	*11*	**1.1673**	(0.0841)
Diluted earnings per share *(RMB)*	*11*	**1.1670**	(0.0841)

11.6.4 Income Statement of the Company (unaudited)

Unit: RMB thousand

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

11.6.5 Consolidated Cash Flow Statement (unaudited)

Unit: RMB thousand

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

11.6.5 Consolidated Cash Flow Statement (unaudited) (continued)

Unit: RMB thousand

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

11.6.6 Cash Flow Statement of the Company (unaudited)

Unit: RMB thousand

ITEMS	**January – June 2021**	January – June 2020
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	**146,434**	323,282
Cash received relating to other operating activities	**4,565,737**	6,336,404
Sub-total of cash inflows from operating activities	**4,712,171**	6,659,686
Cash paid to and on behalf of employees	**143,044**	103,083
Payments of taxes and surcharges	**31,407**	40,165
Cash paid relating to other operating activities	**4,713,758**	7,052,128
Sub-total of cash outflows from operating activities	**4,888,209**	7,195,376
Net cash outflows from operating activities	**(176,038)**	(535,690)
II. Cash flows from investing activities		
Cash received from returns on investments	**4,459,835**	604,167
Net cash received from disposal of fixed assets	**188**	69
Sub-total of cash inflows from investing activities	**4,460,023**	604,236
Cash paid to acquire fixed assets and other long-term assets	**13,219**	15,197
Net cash paid to acquire subsidiaries	**128,246**	690,000
Sub-total of cash outflows from investing activities	**141,465**	705,197
Net cash inflows from investing activities	**4,318,558**	(100,961)

11.6.6 Cash Flow Statement of the Company (unaudited) (continued)

Unit: RMB thousand

ITEMS	**January – June 2021**	January – June 2020
III. Cash flows from financing activities		
Cash received from capital contributions	**–**	12,537
Cash received from borrowings	**1,400,000**	12,805,444
Cash received from issuing bonds	**–**	2,000,000
Sub-total of cash inflows from financing activities	**1,400,000**	14,817,981
Cash repayments of borrowings	**3,493,048**	12,605,895
Cash payments for distribution of dividends or profits and interest expenses	**229,025**	684,725
Cash payments relating to other financing activities	**305,001**	5,602
Sub-total of cash outflows from financing activities	**4,027,074**	13,296,222
Net cash outflows from financing activities	**(2,627,074)**	1,521,759
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**(2,797)**	23
V. Net increase in cash and cash equivalents	**1,512,649**	885,131
Add: Cash and cash equivalents at the beginning of the year	**892,464**	452,966
VI. Cash and cash equivalents at the end of the period	**2,405,113**	1,338,097

11.6.7 Consolidated Statement of Changes in Shareholders' Equity (unaudited)

Unit: RMB thousand

	January – June 2021								2020							
	Attributable to shareholders and other equity holders of the Company								Attributable to shareholders and other equity holders of the Company							
Item	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
I. Balance at 31 December 2020	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,328	53,853,844	3,584,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978
Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2021	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,328	53,853,844	3,584,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978
III. Movements for the period																
(I) Total comprehensive income																
1. Net profit	-	101,014	-	-	-	4,196,445	748,037	5,045,496	-	273,979	-	-	-	5,075,634	662,127	6,011,740
2. Other comprehensive income	-	-	-	(107,841)	-	-	(31,069)	(138,910)	-	-	-	(794,557)	-	-	(216,912)	(1,011,469)
Sub-total of 1 & 2	-	101,014	-	(107,841)	-	4,196,445	716,968	4,906,586	-	273,979	-	(794,557)	-	5,075,634	445,215	5,000,271
(II) Capital contribution and withdrawal by owners																
1. Increase in capital reserve resulted from share option exercised by company	-	-	-	-	-	-	-	-	10,510	-	73,122	-	-	-	-	83,632
2. Contributions by minority Shareholders	-	-	10,610	-	-	-	99,571	110,181	-	-	501,092	-	-	-	863,538	1,364,630
3. Increase in minority interests resulted from acquisition or establishment of subsidiary	-	-	-	-	-	-	30,109	30,109	-	-	-	-	-	-	97,262	97,262
4. Acquisition of minority interests of subsidiaries	-	-	(23,447)	-	-	-	(151,664)	(175,111)	-	-	(103,943)	-	-	-	(576,145)	(680,088)
5. Disposal of subsidiaries (without lose control)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Disposal of subsidiaries (lose control)	-	-	-	-	-	-	(16,701)	(16,701)	-	-	-	-	-	-	(5,961,178)	(5,961,178)
7. Increase in capital reserve resulted from share option exercised by subsidiary	-	-	(2,251)	-	-	-	38,289	36,038	-	-	(763)	-	-	-	(2,009)	(2,772)
8. Increase in shareholders' equity resulted from share-based payments	-	-	8,171	-	-	-	3,813	11,984	-	-	103,958	-	-	-	537	104,495
9. Redemption of the repurchase right granted to minority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
11. Redemption of other equity instruments	-	(300,000)	-	-	-	-	-	(300,000)	-	(1,700,000)	-	-	-	-	-	(1,700,000)
12. Reverse the repurchase right granted to minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Increase in capital from capital reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Others	-	-	3,987	-	-	-	-	3,987	-	-	8,428	-	-	20,000	-	28,428
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	5,254	(5,254)	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(1,005,904)	(241,761)	(1,247,665)	-	-	-	-	-	(430,348)	(814,984)	(1,245,332)
3. Interest paid on other equity instruments	-	(1,311)	-	-	-	-	-	(1,311)	-	(273,482)	-	-	-	-	-	(273,482)
IV. Balance at 30 June 2021	3,595,014	4,107,745	5,460,275	812,928	3,587,597	29,333,430	10,314,952	57,211,941	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,328	53,853,844

11.6.8 Statement of Changes in Shareholders' Equity of the Company (unaudited)

Unit: RMB thousand

Item	January – June 2021 Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	2020 Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2020	**3,595,014**	**4,308,042**	**2,831,352**	**352,298**	**3,587,597**	**8,842,542**	**23,516,845**	3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936
Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2021	**3,595,014**	**4,308,042**	**2,831,352**	**352,298**	**3,587,597**	**8,842,542**	**23,516,845**	3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936
III. Movements for the period														
(I) Total comprehensive income														
1. Net profit	-	101,014	-	-	-	4,313,125	4,414,139	-	273,979	-	-	-	2,286,330	2,560,309
2. Other comprehensive income	-	-	-	18,047	-	-	18,047	-	-	-	(118,202)	-	-	(118,202)
Sub-total of 1 & 2	-	101,014	-	18,047	-	4,313,125	4,432,186	-	273,979	-	(118,202)	-	2,286,330	2,442,107
(II) Capital contribution and withdrawal by owners														
1. Increase in shareholders' equity resulted from share-based payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in capital reserve resulted from share option exercised by company	-	-	-	-	-	-	-	10,510	-	73,122	-	-	-	83,632
3. Issuance of other equity instruments	-	-	-	-	-	-	-	-	2,000,000	-	-	-	-	2,000,000
4. Redemption of other equity instruments	-	(300,000)	-	-	-	-	(300,000)	-	(1,700,000)	-	-	-	-	(1,700,000)
5. Increase in capital from capital reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution														
1. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	5,254	(5,254)	-
2. Profit distribution to shareholders	-	-	-	-	-	(1,005,904)	(1,005,904)	-	-	-	-	-	(430,348)	(430,348)
3. Interest paid on other equity instruments	-	(1,311)	-	-	-	-	(1,311)	-	(273,482)	-	-	-	-	(273,482)
IV. Balance at 30 June 2021	**3,595,014**	**4,107,745**	**2,831,352**	**370,345**	**3,587,597**	**12,149,763**	**26,641,816**	3,595,014	4,308,042	2,831,352	352,298	3,587,597	8,842,542	23,516,845

NOTES:

1. BASIS OF PREPARATION

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

The financial statements are prepared on a going concern basis.

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

2. STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements of the Company for the period from 1 January 2021 to 30 June 2021 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as at 30 June 2021 and of their financial performance, cash flows and other information during January to June 2021.

3. ACCOUNTS RECEIVABLES

(1) Accounts receivables analysed by customer categories are as follows:

Unit: RMB thousand

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

(2) The aging analysis of accounts receivables according to the date of its entry is as follows:

Unit: RMB thousand

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

4. ACCOUNTS PAYABLES

(1) Accounts payable are as follows:

Unit: RMB thousand

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

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

Unit: RMB thousand

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

As at 30 June 2021, accounts payables with ageing of over one year amounted to RMB515,981,000 (31 December 2020: RMB717,203,000) and mainly comprised payables related to the offshore engineering business. Since the production cycle of offshore engineering projects is usually more than one year, the payables have not yet been settled.

5. UNDISTRIBUTED PROFITS

Unit: RMB thousand

	Note	**January – June 2021**	2020
Undistributed profits at the beginning of the year		**26,142,889**	21,482,857
Add: Net profit attributable to shareholders and other equity holders of the parent company for the current period		**4,297,459**	5,349,613
Add: Income from disposal of other equity investments		**–**	20,000
Less: Equity attribute to holders of other equity investments in current period		**(101,014)**	(273,979)
Less: Appropriation to surplus reserve		**–**	(5,254)
Less: Ordinary share dividends payable	*(1)*	**(1,005,904)**	(430,348)
Undistributed profits at the end of the period		**29,333,430**	26,142,889

(1) Dividends of ordinary shares declared during the period

Unit: RMB thousand

	January – June 2021	2020
Dividends proposed but not declared at the end of the period	**1,005,904**	–
Total proposed dividends during the period	**1,005,904**	430,348

In accordance with the approval at the shareholders' general meeting held on 2 June 2021, the Company paid cash dividends in the amount of RMB0.28 per share (2020: RMB0.12 per share) to the ordinary shareholders on 20 July 2021, totalling RMB1,005,904,000 (2020: RMB430,348,000).

6. REVENUE AND COST OF SALES

Unit: RMB thousand

	January – June 2021	January – June 2020
Revenue from principal operations	**71,562,133**	38,524,656
Revenue from other operations	**1,622,416**	907,151
	73,184,549	39,431,807
Cost of sales from principal operations	**60,322,948**	33,612,216
Cost of sales from other operations	**719,006**	754,016
	61,041,954	34,366,232

7. ASSET IMPAIRMENT LOSSES AND CREDIT IMPAIRMENT LOSSES

Unit: RMB thousand

(1) Asset impairment losses

	January – June 2021	January – June 2020
Loss from impairment of contract asset	**5,469**	1,065
Loss from diminution in value of inventories and loss from impairment of contract performance cost	**46,200**	15,151
Loss from impairment of fixed assets	**59,420**	–
Loss/(reversed) from bad debts of advances	**–**	1,689
	111,089	17,905

(2) Credit impairment losses

Unit: RMB thousand

	January – June 2021	January – June 2020
Loss from bad debts of long-term receivables (including non-current assets due within one year)	**56,130**	54,022
Loss from bad debts of notes receivables	**(6,392)**	(2,558)
Loss from bad debts of receivables financing	**677**	–
Loss from bad debts of accounts receivables	**89,444**	35,902
(Reversed)/loss from bad debts of other receivables	**9,635**	2,929
Loss from financial guarantee for vehicle loans	**7,559**	913
	157,053	91,208

8. NON-OPERATING INCOME

Non-operating income by categories is as follows:

Unit: RMB thousand

	January – June 2021	January – June 2020	Amount recognised in non-recurring profit or loss in January – June 2021
Compensation income	**20,885**	2,524	20,885
Unpayable payables	**11,483**	44,252	11,483
Penalty income	**7,169**	9,944	7,169
Donation income	**182**	6,165	182
Others	**17,044**	20,600	17,044
	56,763	83,485	56,763

9. INCOME TAX EXPENSES

Unit: RMB thousand

	January – June 2021	January – June 2020
Current income tax calculated based on tax law and related regulations	**1,651,583**	379,662
Deferred income tax	**162,134**	19,470
Total	**1,813,717**	399,132

The income tax based on the applicable tax rate is adjusted to income tax expense based on the profit before income tax of the consolidated income statement:

	January – June 2021	January – June 2020
Profit before income tax	**6,859,213**	641,350
Income tax calculated at applicable tax rates	**1,690,540**	418,960
Effect of tax incentive	**(61,908)**	(107,002)
Expenses not deductible for tax purposes	**123,177**	5,846
Other income not subject to tax	**(153,221)**	(194,265)
Deductible losses of utilisation of previously unrecognised deferred tax assets	**(104,306)**	(39,599)
Deductible losses for which no deferred tax assets were recognised	**180,901**	253,664
Deductible temporary differences for which no deferred tax assets were recognised	**27,183**	–
Deductible temporary differences of utilisation of previously unrecognised deferred tax assets	**134,742**	89,050
Effect of tax rate change on deferred tax	**3,681**	2,832
Tax refund for income tax annual filing	**(27,073)**	(30,354)
Income tax expense	**1,813,717**	399,132

10. MINORITY SHAREHOLDER PROFIT OR LOSS

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

11. 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 (adjusted) by the weighted average number of ordinary shares outstanding of the Company:

Unit: RMB thousand

	January – June 2021	January – June 2020
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	**4,297,459**	(182,797)
Less: Equity attributable to holders of other equity instruments	**(101,014)**	(118,885)
Consolidated net profit attributable to ordinary shareholders of the Company (adjusted)	**4,196,445**	(301,682)
Weighted average number of ordinary shares outstanding of the Company *('000)*	**3,595,014**	3,585,290
Basic earnings per share *(RMB per share)*	**1.1673**	(0.0841)
Including: continuously operating basic earnings per share	**1.1673**	(0.0841)

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing adjusted consolidated net profit attributable to ordinary shareholders of the Company (adjusted) by the adjusted weighted average number of ordinary shares outstanding of the Company:

Unit: RMB thousand

	January – June 2021	January – June 2020
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	**4,297,459**	(182,797)
Effect of issue of perpetual bonds by the Company	**(101,014)**	(118,885)
Effect of issue of convertible bonds by subsidiaries of the Group	**–**	–
Effect of the share-based payment program of the subsidiaries of the Group	**(1,234)**	–
Consolidated net profit attributable to ordinary shareholders of the Company (adjusted)	**4,195,211**	(301,682)
Weighted average number of ordinary shares outstanding of the Company (diluted) *('000)* (adjusted)	**3,595,014**	3,585,290
Diluted earnings per share *(RMB per share)*	**1.1670**	(0.0841)

Calculation of weighted average number of ordinary shares (diluted):

	January – June 2021	January – June 2020
Weighted average number of ordinary shares outstanding of the Company *('000)*	**3,595,014**	3,585,290
Effect of share options of the Company *('000)*	**–**	–
Weighted average number of ordinary shares outstanding of the Company (diluted) *('000)*	**3,595,014**	3,585,290

12. DIVIDENDS

The Directors did not propose to declare the interim dividend for the six months ended 30 June 2020 (the corresponding period in 2020: Nil).

13. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, nine reportable segments are identified by the Group, including: container manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport facilities and logistics, fire safety and rescue business, heavy trucks, logistics service, finance and asset management and recycled load business. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segments as different technical and market strategies are adopted. The Group's management reviews the financial information of individual business segments regularly to determine resource allocation and performance assessment.

In order to assess the segment performance and resources allocation, the Group's management reviews assets, liabilities, revenue, expenses and operating results of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include current assets of each segment, such as tangible assets, intangible assets, other long-term assets and receivables, but exclude deferred income tax assets and other unallocated headquarters assets. Segment liabilities include payables, bank borrowings, provisions, special payables and other liabilities of each segment, while deferred income tax liabilities are excluded.

Segment operating results represent segment revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation and impairment losses attributable to assets of each segment, net interest expenditure generated from bank deposits and bank borrowings directly attributable to each segment. Transactions conducted among segments are under similar non-related party transaction commercial terms.

Segment information in the first half of 2021 and at 30 June 2021 is as follows:

Unit: RMB thousand

Item	Containers manufacturing January-June 2021	Road transportation vehicles January-June 2021	Energy, chemical and liquid food equipment January-June 2021	Offshore engineering January-June 2021	Airport facilities and logistics, fire safety and rescue business January-June 2021	Heavy trucks January-June 2021	Logistics services January-June 2021	Finance and asset management January-June 2021	Recycled load January-June 2021	Other segments January-June 2021	Elimination between segments January-June 2021	Total January-June 2021
External revenue	26,782,336	17,560,940	8,077,587	2,820,226	2,816,907	839,642	9,814,199	852,163	2,411,209	1,571,828	(362,488)	73,184,549
Inter-segment revenue	668,473	150,904	237,405	(1,548)	16,098	33,035	111,446	200,426	215,574	666,645	(2,298,458)	-
Cost of sales from principal operations	20,816,923	15,897,026	6,918,454	2,645,266	2,154,881	858,790	9,304,007	408,096	2,157,408	1,931,227	(2,769,130)	60,322,948
Investment (loss)/income in associates and joint ventures	20,413	2,159	(678)	(1,344)	1,796	(231)	10,822	11,249	8,866	(150,313)	-	(97,261)
Assets impairment losses	4,238	22,090	7,089	30	16,859	-	(18)	43,000	-	1,411	16,390	111,089
Depreciation and amortization expenses	185,433	244,167	214,310	393,503	99,739	74,092	130,865	313,733	50,463	34,127	(140,608)	1,599,824
Interest income	72,979	26,035	8,290	28,467	4,744	366	7,641	104,975	3,303	889,920	(1,286,538)	(139,818)
Interest expenses	39,420	28,250	34,079	499,234	29,575	44,182	13,679	75,051	18,032	836,491	(901,871)	716,122
Total profit/(losses)	5,728,753	881,614	438,593	(662,202)	209,008	(114,545)	217,204	332,179	267,752	(24,668)	(414,475)	6,859,213
Income tax expenses	1,334,871	120,964	90,692	18,163	29,415	183	51,283	143,051	38,802	43,719	(57,426)	1,813,717
Net profit/(losses)	4,393,882	760,650	347,901	(680,365)	179,593	(114,728)	165,921	189,128	228,950	(68,387)	(357,049)	5,045,496
Total assets	30,210,454	22,222,549	17,839,352	34,346,362	9,100,788	3,443,116	6,290,921	45,287,340	2,912,675	49,308,055	(63,525,864)	157,435,793
Total liabilities	17,307,923	11,203,279	10,220,442	38,183,793	5,764,447	3,504,238	4,244,464	44,090,295	1,959,910	45,499,629	(81,754,568)	100,223,852
Other material non-cash items:												
– Other non-cash expenses/(income) other than depreciation and amortization	229,669	73,206	58,361	(5,895)	15,013	(2,036)	5,192	51,312	6,144	109,786	1,343	542,095
– Long-term equity investments of associates and joint ventures	931,748	73,674	64,165	107,491	33,251	245,625	387,321	546,852	71,046	6,201,394	-	8,662,567
– Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax assets	1,212,602	747,330	327,184	56,693	195,360	849	265,756	1,118,813	154,170	99,165	(614,890)	3,563,032

Segment information in the first half of 2020 and at 30 June 2020 is as follows:

Unit: RMB thousand

Item	Containers manufacturing January-June 2020	Road transportation vehicles January-June 2020	Energy, chemical and liquid food equipment January-June 2020	Offshore engineering January-June 2020	Airport facilities and logistics, fire safety and rescue business January-June 2020	Heavy trucks January-June 2020	Logistics services January-June 2020	Industrial city development January-June 2020	Finance and asset management January-June 2020	Recycled load January-June 2020	Other segments January-June 2020	Elimination between segments January-June 2020	Total January-June 2020
External revenue	8,092,629	11,128,997	5,755,355	2,418,164	2,185,170	880,648	4,428,634	1,260,015	970,165	1,200,040	1,258,378	(146,388)	39,431,807
Inter-segment revenue	356,154	61,522	42,422	109,673	5,639	273	22,900	2,118	164,519	86,472	212,357	(1,064,049)	-
Cost of sales from principal operations	7,566,954	9,704,416	4,893,168	2,458,394	1,706,215	867,023	4,146,008	778,908	379,946	1,143,175	1,273,017	(1,305,008)	33,612,216
Investment (loss)/income in associates and joint ventures	-	6,013	(1,581)	-	1,426	13,868	7,725	23,914	-	3,580	(54)	-	54,891
Assets impairment losses	-	13,578	740	(1,297)	2,050	-	47	-	-	1,700	22	-	16,840
Depreciation and amortization expenses	215,425	200,334	171,203	388,234	88,251	72,434	86,850	28,613	335,608	39,664	29,553	(6,567)	1,649,602
Interest income	68,913	38,232	58,995	22,990	3,781	18,086	8,125	47,522	143,011	7,632	1,223,943	(1,852,420)	(211,190)
Interest expenses	63,333	59,884	60,321	697,139	38,755	49,136	15,217	11,578	91,939	11,518	1,137,029	(1,344,088)	891,761
Total profit/(losses)	257,237	787,481	201,351	(872,272)	94,750	(138,012)	246,985	236,152	246,436	4,258	(232,764)	(190,252)	641,350
Income tax expenses	18,309	89,235	44,513	17,495	16,276	(13)	14,896	100,376	67,686	4,998	18,344	7,017	399,132
Net profit/(losses)	238,928	698,246	156,838	(889,767)	78,474	(137,999)	232,089	135,776	178,750	(740)	(251,108)	(197,269)	242,218
Total assets	16,897,851	20,648,068	16,056,468	38,054,467	8,661,192	3,912,075	4,747,433	30,327,719	49,444,034	2,375,937	57,259,514	(71,437,106)	176,947,652
Total liabilities	9,443,760	10,623,526	8,796,053	42,612,409	5,704,753	4,121,321	2,715,932	21,952,162	46,104,261	1,338,837	50,290,243	(82,833,936)	120,869,321
Other material non-cash items:													
– Other non-cash expenses/(income) other than depreciation and amortization	41,246	44,794	11,786	(8,113)	788	22	27,775	-	51,400	5,310	240,733	(59,524)	356,217
– Long-term equity investments of associates and joint ventures	256,819	107,324	33,052	100,768	25,348	284,147	440,351	3,601,771	417,979	64,055	366,083	-	5,697,697
– Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax assets	449,638	613,037	209,646	86,992	31,748	173,348	193,385	4,352,253	31,428	1,072,774	20,840	(1,009,964)	6,225,125

14. RESTRICTED ASSETS OF THE GROUP AS AT 30 JUNE 2021

Unit: RMB thousand

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

The restricted cash at bank and on hand was security deposits and deposits with the People's Bank of China by the Finance Company, a subsidiary of the Group. Notes receivables were used for pledge for letter of guarantee and pledge for pool of notes. Receivables financing were endorsed bank acceptance bill that have not yet expired and are subject to recourse. Long-term receivables were used as collateral for mortgage loans. The restricted fix assets were used as collateral for long-term payables and real estate with restricted sales as agreed in the contract. Restricted intangible assets are collateral for bank borrowings.

15. CONTINGENCIES

(1) Guarantees provided for external parties

CIMC Vehicle, a subsidiary of the Group, signed contracts with China Merchants Bank, China Guangfa Bank, Huishang Bank and Industrial Bank, which was granted to the distributors and customers of CIMC Vehicle and its subsidiaries arising from purchase of vehicle products. As at 30 June 2021, the aggregate amount of credit facilities in respect of which the Group and its subsidiaries provided guarantees to the distributors and customers was RMB2,160,781,000 (31 December 2020: RMB1,709,171,000).

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd. cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank in mortgage credit cooperation and signed a property loan guarantee contract, providing phased guarantee to the loans that the customers of the company obtained from the relevant banks for purchasing properties. As at 30 June 2021, the aggregate customer financing loans in respect of which Shaanxi Vehicles Industrial Park provided guarantees, was approximately RMB12,750,000 (31 December 2020: RMB13,022,000).

The Group's subsidiary, C&C Trucks and its subsidiaries carried out vehicle buyer credit business and signed vehicle loan guarantee contracts with external banks, providing credit guarantee to the relevant banks for their financing to the distributors and customers of C&C Trucks and its subsidiaries arising from purchase of vehicle products. As at 30 June 2021, the aggregate amount of credit facilities of the distributors and customers in respect of which C&C Trucks and its subsidiaries provided guarantees was approximately RMB670,397,000 (31 December 2020: RMB791,927,000).

The Company provided guarantees for the financing business of Shenzhen CIMC Skyspace Real Estate Development Co., Ltd., an associate of the Company. As at 30 June 2021, the aggregate amount of financing loans in respect of which the Company provided guarantees was approximately RMB1,088,062,000 (CIMC Skyspace Real Estate has been deconsolidated in October 2020. As at 31 December 2020, the aggregate amount of financing loans in respect of which the Company provided guarantees was approximately RMB1,660,657,000).

The Group considers the exposure to the risks relating to above matters to be small and there's no need to make provisions.

(2) Notes payable issued but not accounted for, outstanding letters of credit issued and outstanding performance guarantees issued

The Group currently does not recognise notes payable or letter of credit issued as deposits. The Group accounted for the corresponding inventories or prepayments and notes payable at the earlier of the date of delivery of goods and the maturity date of the notes. As at 30 June 2021, the Group had notes payable issued but not accounted for amounted to RMB24,450,000 (31 December 2020: RMB146,785,000) and outstanding letters of credit issued amounted to RMB409,642,000 (31 December 2020: RMB465,345,000).

As at 30 June 2021, the Company had outstanding balance of guarantees issued of RMB149,662,000, EUR36,264,000 (equivalent to RMB278,733,000), USD182,809,000 (equivalent to RMB1,180,965,000) and GBP5,670,000 (equivalent to RMB50,695,000), totaling RMB1,660,055,000 (total amount as at 31 December 2020: RMB5,001,041,000).

As at 30 June 2021, the subsidiaries of the Group had the amount of outstanding performance guarantees issued by banks amounting to RMB1,574,577,000, primarily including the balance of advance payment guarantees of RMB478,873,000, the balance of quality guarantees (including foreign guarantees) of RMB117,079,000, the balance of other non-financing guarantees of RMB6,842,000 and the balance of performance guarantees of RMB922,127,000 (31 December 2020: RMB1,853,669,000).

The Group considers the exposure to the risks relating to above matters to be small and there's no need to make provisions.

16. COMMITMENTS

Significant commitments

(1) Capital commitments

Unit: RMB thousand

	January – June 2021	2020
Fixed assets purchase contracts entered into but not performed or performed partially	**163,432**	82,566
External investment contracts entered into but not performed or performed partially	**6,354**	36,369
Total	**169,786**	118,935

17. SUPPLEMENTARY INFORMATION

Return on Net Assets and Earnings per Share

In accordance with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (as amended in 2010) issued by the CSRC and relevant requirements of the Accounting Standards for Business Enterprises, the calculation of return on net assets and earnings per share of the Company is listed as follows:

Unit: RMB/share

	Weighted average return on net assets *(%)*		Earnings per share: Basic earnings per share		Earnings per share: Diluted earnings per share	
	January – June 2021	January – June 2020	**January – June 2021**	January – June 2020	**January – June 2021**	January – June 2020
Net profit attributable to ordinary shareholders of the Company	**10.09%**	(0.86%)	**1.1673**	(0.0841)	**1.1670**	(0.0841)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	**8.52%**	(1.02%)	**0.9856**	(0.0991)	**0.9853**	(0.0991)

18. EVENTS AFTER THE BALANCE SHEET DATE

On 7 July 2021, CIMC Vehicles had completed A Shares Offering. The A Shares of CIMC Vehicles will be listed and commenced trading on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021. For relevant details, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2021–050, [CIMC] 2021–065 and [CIMC] 2021–069) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 19 May 2021, 21 June 2021 and 7 July 2021.

On 23 August 2021, the 20th meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution, and agreed that CIMC Shilianda Logistics Technology (Group) Co., Ltd. formerly known as "CIMC Modern Logistics Development Co., Ltd.", with the name changed on 21 July 2021), a majority-owned subsidiary of the Company, would participate in the tendering of 25% equity interest of Zhenhua Logistics Group Co., Ltd. with the reserve price of not more than RMB374,037,650. For relevant information, please refer to the announcements published by the Company on the 23 August 2021 (Announcement Nos.: [CIMC]2021–076 and [CIMC]2021–077) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

OTHER SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In addition to above "Events after the Balance Sheet Date", other significant events of the Company after the Reporting Period are as follows:

On 23 July 2021, the eighteenth meeting of the ninth session of the Board of the Company in 2021 considered and approved the Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd. (《中國國際海運集裝箱（集團）股份有限公司信息披露管理制度》), the revised full text was published on Cninfo website (www.cninfo.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). For relevant information, please refer to the announcement published by the Company on 23 July 2021 (Announcement No.: [CIMC]2021–072) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

By order of the Board
China International Marine Containers (Group) Co., Ltd.
MAI Boliang
Chairman

Hong Kong, 27 August 2021

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