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 2023 (SUMMARY OF THE 2023 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**" or "**CIMC**") and its subsidiaries (collectively, the "**Group**") warrant that there are no misrepresentations, misleading statements or material omissions contained in the 2023 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 2023 (the "**2023 Interim Report**"). The Announcement is extracted from the 2023 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 2023 Interim Report will be posted on the above websites in due course.

1.2 The Announcement has been considered and approved at the thirteenth meeting of the tenth session of the Board in 2023. DENG Weidong (Director) authorized HU Xianfu (Vice-chairman) to 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**"), and there were no changes in accounting policies, accounting estimates or calculation methods, or accounting discrepancies during the Reporting Period. The 2023 interim financial statements of the Group and notes thereto (the "**2023 Interim Financial Report**") have not been audited. The reporting period (the "**Reporting Period**") refers to the six months starting from 1 January 2023 and ended on 30 June 2023.

1.4 Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board and CEO, and Mr. ZENG Han, a vice president and the Chief Financial Officer, person-in-charge of accounting affairs, hereby warrant the truthfulness, accuracy and completeness of the 2023 Interim Financial Report in the Announcement.

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 2023 (six months ended 30 June 2022: Nil).

1.6 The forward-looking statements in the 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 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

2.1 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 2023 (unaudited)**	January – June 2022 (unaudited)	Changes
Revenue	**60,573,968**	72,126,258	(16.02%)
Operating profit	**1,645,039**	4,453,521	(63.06%)
Profit before income tax	**1,651,971**	4,498,100	(63.27%)
Income tax expense	**661,589**	1,264,012	(47.66%)
Net profit	**990,382**	3,234,088	(69.38%)
Net profit attributable to shareholders and other equity holders of the Company	**398,556**	2,538,512	(84.30%)
Profit or loss attributable to minority shareholders	**591,826**	695,576	(14.92%)
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss	**976,599**	2,697,578	(63.80%)

Unit: RMB thousand

Consolidated Balance Sheet Items	**30 June 2023 (unaudited)**	31 December 2022 (audited)	Changes
Total current assets	**81,369,269**	76,984,186	5.70%
Total non-current assets	**72,682,912**	68,915,763	5.47%
Total assets	**154,052,181**	145,899,949	5.59%
Total current liabilities	**68,686,090**	62,998,154	9.03%
Total non-current liabilities	**22,948,088**	20,245,711	13.35%
Total liabilities	**91,634,178**	83,243,865	10.08%
Total equity attributable to shareholders	**62,418,003**	62,656,084	(0.38%)
Equity attributable to shareholders and other equity holders of the Company	**47,281,476**	48,613,429	(2.74%)
Minority interests	**15,136,527**	14,042,655	7.79%

Unit: RMB thousand

Consolidated Cash Flow Statement Items	**January – June 2023 (unaudited)**	January – June 2022 (unaudited)	Changes
Net cash flows from operating activities	**(2,008,282)**	3,635,390	(155.24%)
Net cash flows from investing activities	**(4,072,863)**	(1,876,542)	(117.04%)
Net cash flows from financing activities	**6,904,668**	3,573,706	93.21%

2.2 Key Financial Indicators

	January – June 2023 (unaudited)	January – June 2022 (unaudited)	Changes
Basic earnings per share attributable to shareholders of the Company *(RMB)*	**0.07**	0.47	(85.11%)
Diluted earnings per share attributable to shareholders of the Company *(RMB)*	**0.07**	0.46	(84.78%)
Weighted average return on net assets *(%)*	**0.79%**	5.44%	(4.65%)
Weighted average return on net assets after deducting non-recurring profit or loss *(%)*	**2.03%**	5.78%	(3.75%)
Net cash flows from operating activities per share *(RMB)*	**(0.37)**	0.67	(155.22%)

	30 June 2023 (unaudited)	31 December 2022 (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)	**8.77**	9.01	(2.66%)

Note: As the Company implemented the conversion of capital reserve in 2022, earnings per share and net cash flows from operating activities per share of the Company for 2022 have been adjusted for the latest share capital pursuant to the relevant accounting standards.

The total share capital of the Company as of the trading day preceding the date of disclosure and fully-diluted earnings per share based on the latest share capital:

The total share capital of the Company as of the trading day preceding the date of disclosure *(shares)*	5,392,520,385
Dividends paid for preferred shares	–
Provision for interests on perpetual bonds *(RMB thousand)*	32,100
Fully-diluted earnings per share based on the latest share capital *(RMB/share) (Note)*	0.07

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

2.3 Non-Recurring Profit or Loss Items and Amounts

Unit: RMB thousand

Items	**January – June 2023 (unaudited)**
Gains/(losses) on disposal of non-current assets	3,538
Government grants recognised in profit or loss for the current period	231,645
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 operating activities	(1,443,868)
Reversal of impairment provision for accounts receivable tested for impairment separately	980
Net gains/(losses) from disposal of long-term equity investment	200,615
Other non-operating expenses and income other than the above items	13,694
Effect of income tax	186,539
Effect of minority interests (after tax)	228,814
Total	(578,043)

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

3 REVIEW OF THE PRINCIPAL BUSINESSES OF THE GROUP DURING THE REPORTING PERIOD

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

Currently, the Group is principally engaged in, among other things, the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, recycled load, heavy trucks[1], jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services. The multi-dimensional industry cluster of the Group aims to provide the logistics and energy industries with high quality and reliable equipment and services, provide the shareholders and employees of the Company with good returns and create sustainable values for the society.

According to the latest 2023/24 Container Equipment Survey and Leasing Market Annual Report issued by Drewry, an industry authoritative analyst, the Group is ranked No. 1 in the world in terms of production volume of standard dry containers, reefer containers and special-purpose containers. According to the 2023 Global Tank Container Fleet Survey issued by the International Tank Container Organisation, the production volume of tank containers of the Group ranked No. 1 in the world. According to the 2022 Global OEM Ranking List published by the Global Trailer magazine, CIMC Vehicles, a subsidiary of the Group, was the world's No. 1 semi-trailer manufacturer. CIMC TianDa, a subsidiary of the Group, is one of the major suppliers of boarding bridges in the world, and the Group is also one of the high-end offshore engineering equipment enterprises in China.

The Group continued to consolidate its strategy of globalised deployment, with its research and development centres and manufacturing bases located in nearly 20 countries and regions around the world, and more than 30 overseas entities and enterprises, mainly in Europe, America and Southeast Asia. Benefiting from the continuously consolidating foundation of its global operation platforms, the Group has been able to smooth out the risk fluctuations in a single region and achieve stable and quality development. During the Reporting Period, the Group's domestic revenue accounted for approximately 51.61% and its overseas revenue accounted for approximately 48.39%, which was basically flat as compared with the same period last year, maintaining a sound market landscape. On one hand, the Group has been actively expanding its industrial layout in the domestic market based on the domestic circulation; on the other hand, the Group has been seizing the market space for upgrading in the global logistics and energy sectors through overseas local manufacturing, so as to build up dual engines for the Group's development by adopting a dual-operation strategy focusing on both domestic and external demands.

[1] Commencing from 15 March 2023, C&C Trucks, the main operating entity of our heavy truck business, will cease to be consolidated in the Group, and become an associated company of the Company.

3.1 Overview

During the Reporting Period, the Group's revenue amounted to RMB60,573.968 million (same period in 2022: RMB72,126.258 million), representing a year-on-year decrease of 16.02%. During the Reporting Period, the Group's net profit attributable to shareholders and other equity holders of the Company amounted to RMB398.556 million (same period in 2022: RMB2,538.512 million), representing a year-on-year decrease of 84.30%. During the Reporting Period, the products and businesses contributing 10% or more to the Group's revenue included container manufacturing business, road transportation vehicles business and energy/chemical/liquid food equipment business and logistics services business.

Revenue, Gross Profit and Gross Profit Margin Analysis by Segment and Region

Unit: RMB thousand

Indicators for January – June 2023	Revenue	% of revenue	Year-on-year change in revenue	Cost of sales	% of cost of sales	Year-on-year change in cost of sales	Gross profit	Gross profit margin	Year-on-year change in gross profit margin
By industry/product									
Containers manufacturing	13,667,707	22.56%	(39.97%)	11,411,358	21.82%	(34.72%)	2,256,349	16.51%	(6.71%)
Road transportation vehicles	13,469,630	22.24%	20.31%	10,864,684	20.77%	9.25%	2,604,946	19.34%	8.17%
Energy, chemical and liquid food equipment	11,388,087	18.80%	18.69%	9,573,533	18.31%	18.95%	1,814,554	15.93%	(0.18%)
Offshore engineering	4,119,440	6.80%	60.41%	3,790,182	7.25%	66.26%	329,258	7.99%	(3.24%)
Airport facilities and logistics equipment, fire safety and rescue equipment	2,282,085	3.77%	(11.82%)	1,782,111	3.41%	(12.26%)	499,974	21.91%	0.39%
Logistics services	9,131,975	15.08%	(47.15%)	8,513,762	16.28%	(47.62%)	618,213	6.77%	0.85%
Recycled load	1,428,313	2.36%	(57.90%)	1,251,545	2.39%	(54.92%)	176,768	12.38%	(5.79%)
Finance and asset management	802,038	1.32%	(30.24%)	967,521	1.85%	2.74%	(165,483)	(20.63%)	(38.72%)
Others	6,005,347	9.91%	61.14%	5,747,222	10.99%	67.83%	258,125	4.30%	(3.81%)
Combined offset	(1,720,654)	(2.84%)	19.45%	(1,602,860)	(3.07%)	19.24%	(117,794)	6.85%	(0.23%)
Total	60,573,968	100%	(16.02%)	52,299,058	100%	(14.54%)	8,274,910	13.66%	(1.49%)
By region (by geographical locations of customers)									
China	31,259,574	51.61%	(16.50%)	–	–	–	–	–	–
America	12,164,836	20.08%	(5.90%)	–	–	–	–	–	–
Europe	8,507,019	14.04%	(42.72%)	–	–	–	–	–	–
Asia (excluding China)	6,835,185	11.28%	14.07%	–	–	–	–	–	–
Others	1,807,354	2.99%	96.50%	–	–	–	–	–	–
Total	60,573,968	100.00%	(16.02%)	–	–	–	–	–	–

3.2 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 has been leading the world in terms of production and sales volume since 1996, and as a leader in the global container industry, its production bases cover all major coastal and inland ports in China. It has the capacity to produce a full series of container products with independent intellectual property rights, which mainly consists of standard dry containers, reefer containers and special-purpose containers. In particular, special-purpose containers mainly include North American domestic 53-foot containers, European pallet wide containers, bulk containers, special-purpose reefer containers, flatracks and other products. Currently, the main operating entity of the container manufacturing business is CIMC Container (Group) Co., Ltd. (中集集裝箱(集團)有限公司) and its subsidiaries. The Company holds 100% equity interest in CIMC Container (Group) Co., Ltd. as at 30 June 2023.

During the Reporting Period, the growth of global goods trade slowed down and demand in the container shipping market weakened, which led to sluggish demand for new containers. As a result, during the Reporting Period, the production and sales volume of the Group's container manufacturing business witnessed a significant year-on-year decline. In particular, the accumulated sales volume of dry containers reached 263,100 TEUs (same period in 2022: 675,000 TEUs), representing a year-on-year decrease of approximately 61.02%. The accumulated sales volume of reefer containers reached 51,500 TEUs (same period in 2022: 68,400 TEUs), representing a year-on-year decrease of approximately 24.71%.

During the Reporting Period, benefited from sound cost management, the Group's container manufacturing business still maintained a stable profitability. The container manufacturing business of the Group recorded a revenue of RMB13,667.707 million (same period in 2022: RMB22,767.965 million), representing a year-on-year decrease of 39.97%, and a net profit of RMB767.528 million (same period in 2022: RMB3,053.381 million), representing a year-on-year decrease of 74.86%.

Expand the road transportation vehicles business

CIMC Vehicles (Group) Co., Ltd. ("**CIMC Vehicles**"), the main operating entity of the Group's road transportation vehicles business, is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. The Group held approximately 56.78% equity interests in CIMC Vehicles as at 30 June 2023.

In the new development stage of its third venture, CIMC Vehicles has overwhelmingly attained another milestone breakthrough in operating results, with net profit hitting the highest record for the same period in history. During the Reporting Period, CIMC Vehicles achieved revenue of RMB13,469.630 million (same period in 2022: RMB11,195.842 million), representing a year-on-year increase of 20.31%; achieved a net profit of RMB1,891.943 million (same period in 2022: RMB370.305 million), representing a significant year-on-year increase of 410.91%. Details of the principal operations are as follows:

- **Global semi-trailer business:** CIMC Vehicles operates seven key types of semi-trailer products in four major markets around the world, comprising container skeletal semitrailers, flatbed semitrailers and their derivatives, curtain side semitrailers, van semitrailers, refrigerated semitrailers, tank semitrailers, and other special semitrailers. During the Reporting Period, CIMC Vehicles sold 62,243 semitrailers globally (same period in 2022: 61,627), and recorded a revenue of RMB10,268 million from its global semitrailer business (same period in 2022: RMB8,190 million), representing a year-on-year growth of 25.37%. As for the Chinese semitrailer market, CIMC Vehicles consolidated its domestic market fundamentals, efficiently implemented its "Star Chain Program", promoted structural reforms in the manufacturing organizations of its domestic semi-trailer business, and initiated the "CIMC-Shaanxi Automobile Semi-trailer" cooperation model, which has maintained the first place in the domestic market in terms of market share. In terms of overseas market, the North American semi-trailer business, carrying on last year's trend of rising product prices and declining ocean freight rate, coupled with the exchange gains brought by the strengthening US dollar, sustained its growing momentum; the European semi-trailer business gained quality growth in an adverse environment thanks to the implementation of cost reduction and efficiency improvement strategies; meanwhile, CIMC Vehicles actively grasped the opportunities of strong demand in the emerging markets, vigorously explored the emerging markets and has achieved satisfactory business growth in the emerging markets.

- **Truck bodies for specialty vehicles business:** CIMC Vehicles operates the truck bodies for specialty vehicles business, which include the manufacture of urban dump truck bodies and concrete mixer truck bodies and sales of fully-assembled vehicles. During the Reporting Period, the domestic heavy truck market and the real estate infrastructure industry suffered from low demand, and the industry as a whole was in a downturn. As a result, revenue from the business of truck bodies for specialty vehicles and sales of fully-assembled vehicles amounted to RMB1,348 million (same period in 2022: RMB1,491 million), representing a year-on-year decrease of 9.61%. To respond to the rising demand for special new-energy vehicles, CIMC Vehicles, based on its cooperation with core OEMs, actively developed integrated new energy products in order to further cooperation on ancillary services for new energy vehicles, thus creating synergy among different industries. Currently, the business of truck bodies for specialty vehicles and sales of fully-assembled vehicles is expanding its market shares in the market segments of concrete mixer trucks, new-energy concrete mixer trucks and urban dump trucks.

- **Lightweight van truck bodies:** CIMC Vehicles engages in production of bodies of and sales of lightweight van trucks. During the Reporting Period, CIMC Vehicles reported a revenue of RMB193 million (same period in 2022: RMB93 million) from manufacturing and sales of the lightweight van truck bodies amidst the sluggish market demand, representing a year-on-year growth of 107.91%, by virtue of its leading innovative technologies and high-quality products.

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 facilities and logistics equipment, fire safety and rescue equipment. As at 30 June 2023, the Group held approximately 58.34% equity interests in CIMC TianDa. The airport facilities and logistics equipment business mainly include passenger boarding bridges, airport ground support equipment, airport baggage handling systems, logistics handling systems and intelligent storage systems. The fire safety and rescue equipment business mainly covers comprehensive fire safety and rescue mobile equipment primarily based on various types of fire trucks, and also includes other fire safety and rescue equipment and services, such as various types of fire pump monitors, intelligent control and management systems for fire vehicles and various types of fire-fighting systems.

During the Reporting Period, the airport facilities and logistics equipment, fire safety and rescue equipment businesses of the Group achieved a revenue of RMB2,282.085 million (same period in 2022: RMB2,588.085 million), representing a year-on-year decrease of 11.82%, and a net profit of RMB7.882 million (same period in 2022: RMB16.943 million), representing a year-on-year decrease of 53.48%.

Revenue and net profit recognised for the Reporting Period declined as compared with the same period in 2022 as most of the orders for airport equipment for the year will be delivered in the second half of the year. With stable development in various businesses of CIMC Tianda, it will invest more resources in the research and development of high-end technologies, strive to develop more outstanding products, and work with its excellent service team to maintain its leading position in the industry and to open up a wider market space.

Leveraging the logistics services business

CIMC Wetrans Logistics Technology (Group) Co., Ltd. ("**CIMC Wetrans**"), the main operating entity of the logistics services business of the Group, is committed to "becoming a high quality and trustworthy world-class multimodal transport enterprise". As at 30 June 2023, the Group held 62.7% equity interests in CIMC Wetrans. With its global network, CIMC Wetrans has established a multimodal transport product matrix that integrates "river, sea, land, railway and air transportation", kept exploring ways to provide efficient, low-carbon and visual logistics services to customers, and provided professional and personalized logistics solutions to specific customers. CIMC Wetrans was awarded the "2023 Top 50 Logistics Enterprises in China" by the China Federation of Logistics & Purchasing in August 2023 once again.

During the Reporting Period, China's economy continued to recover, driving the pick-up in domestic demand for logistics, and overseas logistics demand showed a weak trend in general with falling volumes and rates of global container and air transportation during the period, but demand for cross-border railway transportation along the "belt and road" initiative saw an increase.

During the Reporting Period, the logistics services business of the Group realised a revenue of RMB9,131.975 million (same period in 2022: RMB17,278.702 million), representing a year-on-year decrease of 47.15%, a gross profit of RMB618.213 million (same period in 2022: RMB1,023.693 million), representing a year-on-year decrease of 39.61%, and a net profit of RMB54.538 million (same period in 2022: RMB300.263 million), representing a year-on-year decrease of 81.84%. The logistics services business of the Group achieved growth in the volumes of container and railway freights in the first half of the year, but the sea and air transport markets operated at a low rate during the same period led to a decline in performance.

During the Reporting Period, the strategy of the Group's logistics service business was further upgraded, specifying the direction of "further developing the multimodal transport market (深耕多式聯運賽道)" and setting the target of "global and whole process logistics and leading products (全球全程、產品領先)". (1) For the "integrated" multimodal transport business: in respect of sea transportation, the Group improved its global network layout to cover a number of advantageous sea and air routes with a focus on the improvement of the network layout in the Asia-Pacific region, which drove the fast growth of its business in the Asia-Pacific region, deepened its cooperation with main shipping companies and made innovation on the new profit model of centralized procurement, thus enhancing the competitiveness of routes; in respect of railway transportation, the Group operated over 20 sea-railway and international railway lines in a regular way, actively developed along the China-Laos railway and deepened cooperation with the government of Yunnan Province, which have extended inland sourcing destinations and improved the international cross-border whole-process service capability of the Group; in respect of air transportation, the Group upgraded its customer base for air transportation and continued to explore ways of multimodal transport; (2) when it comes to specialized logistics, the Group's cold chain export capability was reinforced to create a dual-loop advantage for cold chain import and export; (3) in terms of the logistics infrastructure business, the Group strengthened its cooperation with airlines, improved the construction of domestic hubs and network, and enhanced its before-airport service capability, which contributed to a big year-on-year improvement in profit. Meanwhile, internal operation capability was further enhanced to deal with the severe external situations, and a rapid increase in the efficiency of employees has been achieved.

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

The Group's recycled load business focuses on providing customers with comprehensive solutions for recycling packaging to facilitate carbon neutrality, which mainly provides professional recycled load R&D and manufacturing, shared operation service and comprehensive solutions for customers in industries including automobile, new energy power battery, photovoltaics, household appliances, fresh agricultural products, liquid chemicals, rubber and bulk commodities, etc. The recycled load business of the Group is carried out through CIMC Transportation Technology, in which the Group held approximately 63.58% equity interests as at 30 June 2023.

As a result of fluctuations in its recycled load business during the Reporting Period, the Group saw a year-on-year decline of 57.90% in its revenue from the business to RMB1,428.313 million (same period in 2022: RMB3,392.834 million), mainly due to the year-on-year change in caliber as a result of the disposal of its equity interests in a subsidiary Dalian CIMC Special Logistics Equipment Co., Ltd. by CIMC Transportation Technology within the Group in last August; and reported net losses of RMB28.414 million (same period in 2022: net profit of RMB304.015 million), which was mainly due to the decline in orders for the operation business with fixed costs as affected by the continued downturn in domestic commercial vehicle market, the slowdown in downstream demand for rubber derivatives and regional power cut policy.

During the Reporting Period, in terms of the expansion of the Group's recycled load business in new industries, the Group gained a satisfactory growth of its business of research, development and manufacturing of recycled packaging in the new energy battery segment. Moreover, CIMC successively won the bids for load manufacturing from the leading express delivery enterprises and the recycled packaging of the power battery from the top new energy players, and the finished products will be delivered in the second half of 2023. In terms of the operation business, CIMC will continue to actively expand in other industries, and has currently entered into business cooperation with a top dairy company and a leading company in the chemical fiber sector to provide products necessary for the dairy industry and textile and chemical fiber industry.

(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 energy, chemical and liquid food equipment, as well as provision of relevant technical and maintenance services. The main operating entity is CIMC Enric Holdings Limited ("**CIMC Enric**"), in which the Group held approximately 67.60% equity interests as at 30 June 2023.

During the Reporting Period, the Group achieved a revenue of RMB11,388.087 million from energy, chemical and liquid food equipment business (same period in 2022: RMB9,594.446 million), representing a year-on-year increase of 18.69%, and reported net profits of RMB435.411 million (same period in 2022: RMB468.297 million), representing a year-on-year decrease of 7.02%. In particular, CIMC Enric, the main operating entity, achieved a revenue of RMB10,760 million (same period in 2022: RMB8,950 million), representing a year-on-year increase of 20.2%. The segment results of CIMC Enric are as follows:

- Clean energy segment. There was a growth recovery of revenue from the segment. The Group realized a revenue of RMB6,290 million from the segment (same period in 2022: RMB4,680 million), a significant year-on-year increase of 34.4%. When it comes to onshore clean energy field, the Company recorded promising growth in its gas storage and peak shaving projects, LNG storage tanks, CNG trucks, and onboard LNG tanks since LNG prices returned to normal from high level, and players along the industry chain posed more demands for the relevant equipment to respond to the rising natural gas consumption attributable to the domestic economic recovery. In terms of the offshore clean energy field, benefiting from the ship replacement cycle and the tightening environmental protection and emission reduction requirements, the liquefied natural gas ship market heated up in the first half of the year, and the price of new ships also rose steadily. CIMC Enric has consecutively won orders for eight new buildings and alternative orders for four new vessels, including 2+2 1450-TEU clean energy dual-fuel container vessels, 2+2 40,000m^3 LPG/liquid ammonia carriers and four 12,500-ton dual-fuel dry bulk carriers. During the Reporting Period, CIMC Enric further increased its presence along the industry chain and enhanced its integrated service capability in the hydrogen business so that it could offer "production, storage, transportation, refueling and utilization" of hydrogen. In this regard, the company successfully rolled out core equipment such as 1200Nm^3/h alkaline electrolyzer, 40-foot liquid hydrogen tank, 390-liter type III onboard hydrogen storage cylinder, and 45MPa diaphragm compressor, thus laying a foundation for establishing its leading position in the domestic hydrogen field. During the Reporting Period, the hydrogen-related business recorded a revenue of RMB270 million, representing a year-on-year increase of 59.1%, mainly due to the growth of demand for storage and transportation equipment such as spherical hydrogen storage tanks and tube trailers driven by the accelerated implementation of green hydrogen projects as well as the sound sales of type III onboard hydrogen storage cylinders and hydrogen supply systems in the area of terminal application.

- Chemical and environment segment. Thanks to its prudent operations, CIMC achieved a revenue of RMB2,450 million (same period in 2022: RMB2,550 million) from the segment, a slight year-on-year decline of 3.9%. As a balance was struck between supply and demand of tank container at global level, the demand for new standard tank containers is on the track to the normal level, while the Company still saw significant demands for special tank containers thanks to the thriving new energy and chip industries. Besides, the Company is also actively exploring business segments such as medical equipment and environmental protection.

- Liquid food segment. Progress was made in the segment as revenue from the segment amounted to RMB2,010 million (same period in 2022: RMB1,710 million), a steady year-on-year increase of 17.3%. Leveraging its expertise in the design, manufacture and project engineering of liquid food processing equipment, the segment continued to promote its business layout and integrated solutions in various industries such as beer, spirits, fruit juices and biopharmaceuticals. During the Reporting Period, steady strides were also made in beer, spirits and other equipment and turnkey projects and services, including those in Mexico, the United States, Thailand and China.

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

The Group is engaged in the offshore engineering business mainly through Yantai CIMC Raffles Marine Technology Group Co., Ltd. (the "**Marine Technology Group**"), in which the Group held approximately 83.3% equity interests as at 30 June 2023. The offshore engineering business is operated under an integrated operating model covering design, procurement, manufacturing, construction, commission and operation and provides mass and industrialised construction of high-end offshore engineering equipment and other special vessels, making it one of the leading contractors of high-end offshore engineering equipment in China that has actively participated in international competition in the offshore engineering equipment market. Its major businesses include construction of various types of drilling platforms and production platforms, construction of offshore wind power equipment and operation and maintenance of wind farms, manufacture of special vessels, etc.

During the Reporting Period, the global shipping and offshore engineering market environment continued to improve: the number of orders of ships increased significantly year on year, shipyards were subject to capacity constraints, and dry-dock resources reached their bottlenecks; international oil prices were at a high level, which still has a promoting effect on the oil and gas production platforms, the continuous growth in marine operation activities drove the utilisation ratio of and the rental for offshore engineering equipment to be on the rise, and the offshore engineering equipment market continued to recover.

During the Reporting Period, as new orders for offshore engineering entered the construction period successively, the offshore engineering business of the Group recorded a revenue of RMB4,119.44 million (same period in 2022: RMB2,568.098 million), representing a year-on-year increase of 60.41%, and a net loss of RMB182.153 million (same period in 2022: net loss of RMB240.857 million), representing a year-on-year decrease in loss of 24.37%.

In terms of new orders: The Group acquired effective orders/won bids for orders with the value of USD1,490 million (including awarded orders to be effective with value of USD401 million) as of the end of June, including three wind power ships with the value of USD851 million, three ro-ro ships with the value of USD261 million, two oil and gas module orders with the value of USD254 million, and other clean energy products orders with the value of USD120 million, realising an increase of 144% as compared with USD610 million for the same period last year. The value of accumulated orders on hand reached USD5.11 billion, representing an increase of 141% as compared with to USD2.12 billion for the same period last year, of which the proportion of oil and gas business and non-oil and gas business maintained at approximately 4:6, which had effectively eased the periodic fluctuation of oil and gas, demonstrating that successful strategic transformation had been achieved.

In respect of project construction and delivery: In January, the third car carrier of the PCTC series officially started construction at LCRO; in February, the main hull project for the P80 FPSO constructed for Singapore Keppel (the general contractor of P80 project of Brazilian state oil company) started construction; in March, the delivery of No. 005 net cage constructed for Jinghai was successfully completed, with a total of eight deep-sea net cages in operation at present; in April, China's second offshore mobile self-installed wellhead platform successfully completed the delivery of station piles in the South China Sea; in May, the system commissioning process for the first car carrier of the PCTC series officially started; in June, China Railway Construction Jack-up Wind Power Installation Platform and Huaxia Financial Leasing 1,500-tonne Self-propelled Jack-up Wind Power Installation Platform held keel-laying ceremony at Haiyang base.

(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.

The Group's finance and asset management business achieved a revenue of RMB802.038 million (same period in 2022: RMB1,149.645 million), representing a year-on-year decrease of 30.24%, and a net loss of RMB1,124.995 million (same period in 2022: net profit of RMB4.658 million), representing a significant decline year on year, mainly due to the increase in the interest expenses of offshore engineering asset operation and management business resulting from the rise in US interest rates and the absence of the profit of CIMC Financial Leasing Co., Ltd. before deconsolidation for the same period in 2022. But excluding impacts of the above, benefited from the increase in average rental prices, there was an improvement in the operations of the offshore engineering asset operation and management business, which achieved a year-on-year revenue growth of over 10%, with significant improvement in the marginal contributions of project operations.

CIMC Finance Company:

During the Reporting Period, CIMC Finance Company insisted on cultivating the existing businesses by adhering to its basic functional positioning, continued to deepen the centralized management of funds for the Group, promoted the opening of super online banking business to dynamically monitor the Group's capital position and to prevent and control capital risk. CIMC Finance Company further integrated itself into the overall strategic planning of the Group and the development of its main businesses, integrated and configured financial resources in a targeted manner, and continuously strengthened its financial support for the development of industries. In the first half of the year, CIMC Finance Company provided members of the Group with credit facilities of more than RMB3.7 billion to help them realise capital turnover in a highly efficient and expeditious manner. At the same time, CIMC Finance Company continued to improve and optimize financial products and services, enhanced the ability of comprehensive financial innovation services, provided high-quality, distinctive and international financial services for members of the Group, reduced the occupation of corporate funds, reduced transaction costs, and effectively promoted the improvement of the efficiency and effectiveness of the Group's capital management.

Offshore engineering asset operation and management business of CIMC:

As of the end of June 2023, the offshore engineering asset operation and management business of the Group involved 16 offshore engineering assets in total, including two ultra-deepwater semi-submersible drilling platforms, three semi-submersible drilling platforms for severe sea conditions, three semi-submersible lifting/life support platforms, three 400-foot jack-up drilling platforms, four 300-foot jack-up drilling platforms and one high-end yacht.

In order to make up the shortfall of oil and natural gas import in Europe, coupled with the cyclical impact of reduced investment and retirement of old platforms in the past few years, market demands for drilling platforms increased, while the oil price remained fluctuating at USD80/barrel, which effectively supported the exploration and exploitation activities of offshore drilling activities. According to a report issued by Westwood Global Energy, the fundamentals of global offshore drilling platforms continued to show strong improvement. The occupation and rate of jack-up platforms maintained at high levels since the recovery, and the active platform occupancy of global floating drilling platforms further improved, with strong demand for high-specification semi-submersible drilling platforms. The utilisation rate of the sixth-generation semi-submersible drilling platforms for harsh environment in the market increased by approximately 14% during the period with rental rates further increasing to USD350,000–460,000 per day. In July, Transocean, a leading international drilling contractor, secured a lease contract for Deepwater Proteus, its seventh-generation ultra-deepwater drillship, at a daily rate of USD480,000 per day, leading the industry.

In the first half of 2023, benefited from the recovering market, the Group acquired 2 new lease contracts for its offshore engineering asset operation and management business, namely the 3+1-year lease contract with Saipem, a well-known Italian offshore engineering service provider, in relation to the "PerroNegro 12" 300-foot jack-up drilling platform, which had come into effect in March 2023. The platform had been shipped to a shipyard in the Middle East where it will operate for adaptability improvement; the 2+1-year lease contract with China Oilfield Services Limited in relation to "Gulf Driller III" 300-foot jack-up drilling platform, which had come into effect in April 2023. The platform is currently operating in the Beibu Gulf of the South China Sea. The new lease contracts have good economic effectiveness as compared with past lease contracts owing to improved market environment. By the end of June 2023, out of the existing 14 leasable offshore engineering platforms, we acquired lease contracts for 10 platforms in self-operated wet lease, dry lease and other leasing model, of which all 6 jack-up platforms were leased out and 4 semi-submersible platforms (including 2 living platforms) were leased out, and the remaining term of the lease contracts ranged from 7–74 months. For the remaining leasable drilling platforms, the Group will, leveraging the recovering market environment, take action and make prudent research and judgement to achieve high-quality use of its 2 sixth-generation semi-submersible drilling platforms for harsh environment and 1 seventh-generation ultra-deepwater drilling platform.

(IV) Innovative Businesses that highlight the advantage of CIMC

Cold Chain Business

During the Reporting Period, in addition to continuing to consolidate its core advantages in the field of cold chain equipment manufacturing, the Group has further strengthened the strategic layout of its cold chain business in the pharmaceutical cold chain, fresh supply chain and other aspects. In terms of reefer containers, the Group has increased the industry layout of special reefer containers such as planting boxes, flight cases and others of equipment integration categories. In terms of pharmaceutical cold chain, CIMC Cold Cloud, relying on its unique structured advantage of "production + research + transportation" in the industry, ranked first on the "Top 10 Key Enterprises in China Medical Device Cold Chain Transportation of 2023* (2023年度中國醫療器械冷鏈運輸十家重點企業)" list with its professional cold chain transportation services and industry influence. In terms of fresh supply chain, Guangxi Supply and Marketing & CIMC Cold Chain Co., Ltd.* (廣西供銷中集冷鏈有限公司), a joint venture of CIMC Cold Chain and Guangxi Supply and Marketing* (廣西供銷), has officially operated, where the two parties will give full play to their respective advantages and carry out strategic and business cooperation focusing on the strategic themes of "cold chain" and "rural revitalization", aiming to build a high-speed rail like cold chain backbone network. As the first pilot project of the joint venture, the Full Cold Chain Mango Processing Demonstration Center* (芒果全程冷鏈加工示範中心) built in Baise City was completed at the end of May this year, which will effectively solve pectin, bacteria and other industry pain points, reduce losses and extend the shelf life of mango. The new cold chain model will be replicated and promoted in Guangxi, and gradually radiated and promoted to the Guangdong-Hong Kong-Macao Greater Bay Area in future.

Energy Storage Technology

During the Reporting Period, with the outbreak of terminal demand in the global energy storage industry and the strong support from domestic energy allocation and reserve policies, the scale of the Group's energy storage business continued to maintain steady growth and the value of orders on hand currently reaches over RMB1,000 million. The Group have gathered the resources and capabilities of our subordinate high-quality factories, strengthened technological research and innovation investment and built integrated specialized workshops, so as to provide customers with efficient and safe integrated products. In terms of energy storage equipment integration services, the Group continued to integrate various advantageous resources and further deepened the comprehensive cooperation with domestic and foreign industry giants. Based on CIMC's unique large-scale industrial equipment production capacity, key equipment automation production, all-green factory energy consumption control system, and integrated and coordinated production-logistics solutions, the Group has provided industrial customers with large-scale, efficient, low-carbon and collaborative equipment manufacturing solutions from various aspects such as container R&D and design, integrated production line investment, quality system transformation and whole process services.

Modular Building Business

CIMC Construction Technology Company Limited (中集建築科技有限公司) is customer-centric, technology-led and innovation-driven, providing customers with one-stop and diversified integrated solutions for industrialised finished buildings in respects of "consultation, design, manufacturing, construction and delivery", and striving to become a global technological leader in terms of green industrialised finished buildings. Modular building business: the Group continued to vigorously explore domestic and international markets, strengthen the technological research and development as well as management improvement. During the Reporting Period, the Group's revenue from modular building business increased by 64% as compared with the corresponding period of last year, with newly signed orders amounting to approximately RMB0.47 billion. In particular, the Hong Kong market was further consolidated, with new contracts exceeding RMB0.2 billion. Major projects such as the Hong Kong Legislative Council Complex, the Transitional Housing on Po Yap Road and the Transitional Housing at Kai Tak Muk On Street was progressing in an orderly manner, and the product technology and quality were highly recognized by customers.

AGV and other robot business

During the Reporting Period, the Group's AGV and other robot business focused on promoting the research and development and upgrading of double-deck AGV parking products and improving market competitiveness through product innovation and research and development. At present, CIMC IOT's double-deck AGV parking robots will be widely used in airports, ports, hospitals, industrial parks and other fields, and may achieve intelligent parking, visualized vehicle management and efficient operation through the integrated application of technologies such as the Internet of Things, big data, automatic driving, etc.. The intelligent bus garage in Xiasha, Futian, Shenzhen was officially put into operation in February this year, which is one of the first demonstration projects on three-dimensional parking lots for new energy buses in Shenzhen, and is the largest intelligent three-dimensional garage for new energy buses in China.

(V) Capital Operations in relation to Main Businesses

During the Reporting Period, the significant events of the Group in respect of capital operations are as follows: (1) On 15 March 2023, the strategic restructuring of C&C Trucks Co., Ltd. was completed, upon which the equity interests of the Company in C&C Trucks Co., Ltd. were reduced from 73.89% to 35.42%. C&C Trucks Co., Ltd. became an associate of the Company and was no longer a controlling subsidiary of the Company. (2) On 26 May 2023, according to the results of the Listing Review Committee meeting of the Shenzhen Stock Exchange, the application of CIMC-TianDa for the initial public offering and listing of shares on the ChiNext Board of the Shenzhen Stock Exchange has been approved by the Listing Review Committee. CIMC-TianDa's A-share offering is still subject to the registration procedures with the China Securities Regulatory Commission (the "**CSRC**").

In addition, on 27 July 2023, according to the Approval for Registration of Shares in Initial Public Offering of CIMC Safeway Technologies Co., Ltd. issued by the CSRC, the CSRC approved the registration application of CIMC Safeway Technologies. Co., Ltd. for the shares issued in initial public offering on the ChiNext Board of the Shenzhen Stock Exchange (SZSE). CIMC Safeway Technologies Co., Ltd. will carry out follow-up work in accordance with the relevant regulations and requirements of the CSRC and the SZSE.

3.3 Future Development and Prospects of the Company

Focusing on the national strategy and considering the development trend of the industry and the actual development of the Group, the Group confirmed its vision for future development: "to build CIMC into a world-class respectable high-quality enterprise". CIMC will strengthen and expand its logistics and energy equipment businesses, expand strategic new businesses in areas where the market has needs, the industry has shortcomings and CIMC has capabilities, and establish a business portfolio that minimizes cyclical fluctuations and enhances profitability, so as to make long-term growth with stability and build an everlasting enterprise.

The Group will continue to enhance and integrate its advantages in "logistics, energy equipment manufacturing + services", and focus on consolidating its position as an industry leader, so as to promote the consolidation and improvement of the Group's overall performance in the future. On the one hand, the Group will continue to consolidate its main business of equipment manufacturing, integrate upstream and downstream industrial chain resources, provide more comprehensive and integrated services, and accelerate the promotion of green, digital, and intelligent transformation and upgrading of products, so as to build up its leadership in products through technological innovation. On the other hand, we will adhere to the national development strategy as the guide and seize the historical opportunities in the "smart logistics" and "clean energy" sectors to broaden the connotation scope of the existing advantageous main business, and will also focus on the four strategic themes of "cold chain", "clean energy", "clean water and lush mountains" and "rural revitalization" to build core competitiveness in emerging businesses.

3.3.1 Industrial Analysis and Corporate Operating Strategy of Major Business Segments

(1) In the Logistics Field:

Container Manufacturing

Affected by factors such as the weakening of global economic and trade growth momentum, coupled with the backlog of containers that customers have overbought due to the recovery of supply chain efficiency, demand for containers this year has fallen to its lowest point since the financial crisis. For now, industry inventories are being steadily drawn down, and the demand for containers is on the track of recovery. According to the prediction made by CLARKSONS (a global authoritative industry analyst) in July 2023, the growth of global container trade in 2023 and 2024 will be 1.0% and 3.4%, respectively, the expected demand for container transportation this year will shift from negative to positive, and the market expectation will show a significant rebound trend in the future. It is expected that the steady recovery of global trade will provide strong support for the recovery of demand for containers in the future.

In the second half of 2023, CIMC Container, on the one hand, will deepen its internal optimization to continuously strengthen its core competitive advantages by upgrading the quality assurance system, improving intelligent manufacturing, and advancing research, development and wider application of new materials and processes, thus enabling the Group to be well-positioned to embrace the rebound of demand for containers. On the other hand, CIMC Container will actively develop market opportunities in logistics equipment segments. To do so, CIMC Container will explore opportunities in areas such as trucking containers, self-loading and unloading containers, and special railroad containers, and will develop a number of series of products with independent intellectual property rights to address the market demand and pain points of the industry, thus contributing to the continuous growth of the new "Container+" business.

Road Transportation Vehicles

In the second half of 2023, China's transportation industry will maintain a recovery trend. It is expected that the volume of logistics freight will continue to increase, and the semi-trailer market in China may embrace a new landscape featuring continuing recovery, supply-side reform and accelerating head effect. As the demand for logistics and transportation is under pressure in Europe and the United States, the semi-trailer market in Europe and the United States may face downward pressure. With the promotion of the "Belt and Road" initiative and the comprehensive development of China's go abroad strategy for commercial vehicles, there is room for the high growth of semi-trailers in emerging markets. Meanwhile, as China continues to introduce policies to support the development of new energy light trucks, China's new energy light trucks are in the blue ocean market and are expected to become the main force for a new round of development.

In the second half of 2023, CIMC Vehicles will implement the strategy of starting a business for the third time through carrying out panoramic exploration: firstly, it will implement the "Star Chain Plan" effectively to set an good example for the supply-side reform in the domestic semi-trailer industry; secondly, the construction of "Light Tower Manufacturing Network 2023" will be deepened to achieve professional production; thirdly, with the continued empowerment of the "Sophisticated Manufacturing System" and the "new management infrastructure", its operation strategy will be implemented efficiently; fourthly, development in the field of new energy will be accelerated to make innovation on products and business model; fifthly, the "Deep-space Exploration Plan" will be launched to create a new landscape for the operation in North America; sixthly, the "Champion Development Plan" will be promoted to form a united operation of the tanker business under strategic guidance; seventhly, the "Starlight" Plan will be promoted to improve the overall operation of TB Business Group through resetting strategic direction and optimised organizational structure. CIMC Vehicles will strengthen its various businesses in the "national unified commercial vehicle and specialty vehicle market" with concentrated resources and enter the field of new energy commercial vehicles with innovative technologies and business models. By relying on innovation-driven development, it has achieved connotation growth as well as a steady improvement in the quality of operations. CIMC Vehicles is committed to creating an innovative and venture platform that supports new energy tractor-trailers and improves the integrated solutions for conventional fuel tractor-trailers, thereby making its way to the "ocean of stars" under the third venture.

Airport Facilities and Logistics Equipment, Fire Safety and Rescue Equipment

In respect of the airport facilities and logistics equipment business: According to the data from Civil Aviation Administration of China (CAAC), the size of domestic passenger air traffic in the first quarter of 2023 has recovered to 90% of that of the same period of 2019, and according to Airports Council International (ACI), it is projected that the size of global passenger air traffic in 2024 can recover to the same level as that of 2019. With the increase in flights, coupled with the wider application of artificial intelligence and big data to promote the accelerated development of smart airports around the world as well as the upgrading of airport equipment, there will be greater growth space for the airport equipment business in the coming years. In terms of logistics equipment, the automatic sorting center of the second phase of Kunshan No.1 Smart Industrial Park of JD Group, which was constructed by CIMC TianDa, was formally put into operation this year. The completion of this project marks the growing maturity of CIMC TianDa's technology in the design, production and installation of smart warehousing and smart sorting system, and in the stage of rapid development of e-commerce & express delivery, the future of CIMC TianDa's logistics equipment business is promising.

In respect of the safety and rescue equipment business: The development of the safety and rescue equipment business has always been a priority for the state, as it is related to the safety of people's lives and property. With the ever-changing urban landscape, coupled with the rapid development of high-fire-risk industries and the rapid increase of flammable and explosive places, the more complex the work of disaster relief and rescue, the higher the demand for sophisticated firefighting and rescue equipment and management systems. Since the state promotes the development of smart firefighting and encourages the use of big data of internet of things for remote monitoring, hidden danger identification, disaster relief command, etc., establishes a sound emergency rescue system with no dead-end and comprehensive coverage at the aid of automatic fire extinguishing system, fire alarm equipment, and various types of disaster relief and rescue fire trucks, CIMC TianDa has been actively investing in the development and exploration of new products and services required by the market with the help of informatization and big data, in order to seek a breakthrough in the steady development of the industry.

Logistics Services

In the second half of 2023, the world economic situation will become more complicated and severe. It is expected that the momentum of overseas economies will continue to weaken and the process of de-inflation will maintain. China's economic growth will be challenged by the contraction of external demand, the countries related to the "Belt and Road" are expected to form a supportive role, and the overall situation will continue to recover and become better. The logistics services business of the Group will actively face changes in the industry and adjust its market strategies in a timely manner, so as to continue to provide customers with higher-quality integrated multimodal transportation logistics solutions.

In the second half of 2023, the Group's logistics services business will vigorously strengthen the development and creation of multimodal transportation products. It will put effort into the integration of maritime business lines, rapidly promote the layout of hubs and outlets, focus on the construction of overseas delivery capabilities, cultivate industry customers while deepen cooperation with governments, and strengthen the ability of scientific and technological innovation to drive operations and development.

Recycled Load Business

In the second half of 2023, there will be an optimistic recycled load use and leasing market in the context of the national strategy of carbon peaking and carbon neutrality amid the tough situations inside and outside China.

In the second half of 2023, with easing regional power cut and gradual increase in the production capacity of rubber derivatives, the Group will continue to enhance its business expansion, optimize and improve the operation capacity for the recycled load business apart from strengthening the existing operations. It will continue to intensify cooperation with leading express delivery enterprises and new energy enterprises, actively expand its recycled packaging business to serve, among others, the photovoltaic, heavy machinery and coiled material industries, accelerate the construction of its production bases, release its recycled packaging manufacturing capacity, and continue to expand the scale of its business. CIMC Unit Load will continue to seize the opportunity arising from the replacement of disposable packaging with recycling packaging and the rapid development of new energy in the context of the national dual-carbon strategy, to increase product operation and management capabilities and business expansion efforts persistently. On the one hand, CIMC Unit Load will accelerate the integration of internal operation network and service outlets, and continue to optimize the smart leasing operation and management platform for recycling packaging to promote cost reduction and efficiency improvement in respects of operation and management. On the other hand, CIMC Unit Load will focus on the shared operation business of recycled load, and continue to enhance our business expansion based on the existing automotive, chemical, bulk commodities and rubber, optimize the shared operation and management capabilities, and leverage on the advantageous resources of the Group to strengthen external cooperation and expand the recycling packaging business in industries such as new energy battery, chemical fiber and dairy product industries.

(2) In the Energy Industries Field:

Energy, Chemical and Liquid Food Equipment Business

Clean energy segment: Carbon reduction have been receiving attention and support from the global market, and International Energy Agency (IEA) predicts that LNG will replace coal to be the world's second-largest energy source in the global energy mix in 2030–2035. Domestically, natural gas market demand is expected to further recover. For the onshore clean energy sector, natural gas storage and peak shaving capacity will lead to more demands for midstream equipment and industrial business. The economic recovery will also drive the downstream LNG vehicle bottles and other terminal equipment to continue to grow. In the offshore clean energy sector, the demand for ship replacement and green shipping upgrades in the shipping industry is expected to continue, stimulating demand for newbuilding and reconstruction of ships fueled by LNG, LPG and methanol. CIMC Enric will capitalize on its presence throughout the industry chain in LNG, LPG and other clean energy sources to increase shares of various alternative clean fuels such as green methanol, liquid ammonia and hydrogen in its energy source portfolio. In the hydrogen field, the policy continues to boost the development of the industry, and the national standard of "Automotive Compressed Hydrogen Gas Cylinder With Plastic Liner and Carbon Fiber Winding" has been formally introduced. The advancement in industrial technology will pave the way for the commercialization of the terminals, and CIMC Enric will deepen its efforts to become involved in the whole industrial chain comprising "production, storage, transportation, refueling and application", and to provide integrated solutions. CIMC Enric will keep a watchful eye on the changes and opportunities in the hydrogen market.

Chemical and environment segment: Tank container is a safe and efficient chemical logistics equipment. In the long run, the gradual promotion of multimodal transportation policy, the increasingly stringent chemical safety requirements, cross-regional investment in the chemical industry and other factors are conducive to enhancing the penetration of tank container in the field of chemical logistics as well as to promoting the continuous growth of the chemical logistics industry, and also allow the tank container industry market to maintain a long-term growth. On the other hand, driven by the promising prospect of electrolytes and semiconductors industries, the demand for electrolyte tank containers and high-end lined tank containers will continue to grow. While consolidating its leading position in the tank container market, the Company will vigorously expand applications of tank container s and will also actively manufacture more intelligent tank containers in order to provide better value-added services to customers. The segment will also continue to explore the resource recycling of industrial hazardous waste and general solid waste and will seek development in other related industries in the environmental protection field.

Liquid food segment: GDP growth in emerging countries, consumer preference for craft and premium beers, and demand for lower-calorie beverages will drive the long-term growth of the segment. In addition, increased customer demand for technological upgrades and sustainable solutions is creating new market potential. The Company will also continue to keep a watchful eye on and capitalize on the opportunities arising from upgrading and innovation taken by craft beer, liquor, biopharmaceuticals, spirits and other factories inside and outside China with a view to further increasing share of the revenue from its business in China.

Offshore Engineering Business

In respect of the oil and gas platform business: Higher oil prices still have a boosting effect on oil and gas production platforms. Considering the supply and demand outlook of the market, there is a clear trend for the drilling platform construction market to enter an upward cycle, and there is high certainty of short-term demand in the FPSO market, with adequate long-term project reserves. It is expected that the capacity utilization rate of offshore manufacturers will be greatly improved in the next three to five years. In respect of the clean energy business: Carbon neutrality brings major development opportunities in the industry. Offshore wind power, hydrogen energy utilization, offshore photovoltaics will form a huge industry scale, which will further consolidate the transformation of global offshore engineering equipment. Global offshore wind power will maintain long-term sustainable development with high speed. In respect of the ro-ro ship business: The continual growing sales of new energy vehicles worldwide promotes the expansion of global automobile seaborne trade volume, which, superimposed by factors such as environmental protection, will lead to strong demand for newbuilding of ro-ro ships.

In the second half of 2023, the Group's offshore engineering business will continue to actively promote transformation, introduce strategic investors, and integrate the industry mapping. Taking offshore oil and gas as the foundation, the Group will gradually expand to new energy sources to form a business portfolio that dilutes the impacts of industrial cycle. On the whole, the oil and gas platform business has obtained the general contracting qualification for engineering procurement construction (EPC) of Petrobras's offshore oil and gas platform, and will steadily advance towards the strategic direction of EPC general contracting in the future. The clean energy business will continue to take advantage of the strengths in design and construction of high-end offshore engineering equipment, focusing on offshore wind power assembly and wind power operation and maintenance businesses. In respect of the ro-ro ship business, CIMC Raffles of the Group will seize market opportunities to expand its advantages in the market. Risks will be strictly controlled and lean management will be implemented while maintaining the fundamental of continuous and quality growth of orders and ensuring contract fulfillment and delivery, so as to improve the quality and efficiency of operations.

(3) Finance and Asset Management Business:

CIMC Finance Company

In the second half of 2023, against the backdrop of a number of major financial reform measures being launched by China, China's financial sector will enter a new stage of the two-tier "institutional + functional" supervision, and China's financial market is expected to maintain sound operation, with the supply of funds remaining stable and sufficient, the financing environment expected to remain stable and relaxed, and the market interest rate to remain at a relatively low level. Base on its own functions and platform advantages, CIMC Finance Company will deeply focus on the Group's core business areas, take the initiative to buttress and serve the Group's major strategies and pay attention to the financial needs of its members and the requirements of market development. It will support the Group in restructuring its financial resources, improving the efficiency of capital operation, preventing and controlling capital risks, and gather strength to promote the efficient integration of finance and technology, so as to provide stronger impetus and greater momentum for deepening the integration of industry development and financing.

Offshore Engineering Asset Operation and Management Business of CIMC

In the second half of 2023, energy strategic security has become the focus of attention in various countries as a result of their concerns about energy shortages caused by geopolitical events. According to the report of the U.S. Energy Information Administration (EIA), Brent crude oil is expected to remain above US $80/barrel in the next two years. In terms of oil exploitation, demand in offshore drilling market was strong, and investment in offshore oil and gas exploitation around the world increased significantly. Investment in major offshore oil and gas production areas such as Gulf of Mexico, Brazil, West Africa, Norway and Northwest Europe increased significantly, and the overall investment plan will increase 16% ~ 24% by 2024. By the end of 2024, the global rig utilization rate is expected to reach 93%, close to the highest level in 2014. At the same time, the daily rates for leasing of drilling platforms have rebounded to their best level since 2015, with the Clarksons Floating Platform Rental Index showing a record high of 78%. Westwood Global Energy forecasts that the daily rates will continue to grow across the board over the next five years as market activity continues to increase. In addition, benefited from tight market supply and demand, the values of new and second-handed platforms also show a rising trend.

In the second half of 2023, the offshore engineering asset operation and management business of CIMC will continue to promote the lean management. It will give full play to its existing project experience and business capabilities, and seize market opportunities to increase asset occupancy rates and project profitability. It will further consolidate cooperative relationships with domestic and overseas customers and leverage the excellent offshore platform operation and management capabilities to integrate resources and strengthen upstream and downstream cooperation.

3.3.2 Major Risk Factors in the Future Development of the Group

In the second half of 2023, 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 businesses of the Group are engaged in are dependent on global and domestic economic performance and often vary with economic periodical changes. In recent years, the global economy has become increasingly complex with increasing uncertainty factors. In particular, the rise of the trade protectionism will have a negative impact on the growth of the global economy and trade. The changes and risks in the global economic environment demand higher requirements on the Group’s operating and management capabilities.

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

- **Risk of trade protectionism and anti-globalisation:** the rise of global trade protectionism disrupted national policy stances and posed a threat to the growth of global trade. Part of the Group's principal businesses will be affected by global trade protectionism and anti-globalisation.

- **Fluctuations of financial market and foreign exchange risks:** the presentation currency of the consolidated statements of the Group is RMB. The Group's exchange risks are mainly attributable to the foreign currency exposure resulting from the settlement of sales, purchases and finance in currencies other than RMB. The increased volatility and frequency of the exchange rate of RMB against USD which may be resulted from the continuous fluctuation of the global financial market will pose new challenges to the foreign currency and capital management of the Group.

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

- **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, the Federal Reserve has shown no signs of pausing rate hike which leads to tight commodity inventory. Meanwhile, the global economy presents a trend of regional differentiation, and supply and demand and price will also become complicated and volatile, which bring uncertainties to the Group's operating result.

4 MANAGEMENT DISCUSSION AND ANALYSIS (PREPARED IN ACCORDANCE WITH RELEVANT REQUIREMENTS OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "HONG KONG LISTING RULES")

The financial data below is extracted from the unaudited 2023 interim financial statements prepared by the Group in accordance with CASBE. The following discussion and analysis should be read together with the 2023 interim financial statements and theirs notes set forth in other chapters of the Announcement.

Sales expenses

During the Reporting Period, the sales expenses of the Group were RMB1,241.27 million (same period in 2022: RMB1,181.249 million), representing a year-on-year increase of 5.08%.

General and administrative expenses

During the Reporting Period, the general and administrative expenses of the Group were RMB2,936.47 million (same period in 2022: RMB3,385.359 million), representing a year-on-year decrease of 13.26%.

Research and development expenses

During the Reporting Period, the research and development expenses of the Group were RMB1,119.777 million (same period in 2022: RMB1,043.695 million), representing a year-on-year increase of 7.29%.

Financial expenses

During the Reporting Period, the financial expenses of the Group were RMB130.985 million (same period in 2022: RMB(115.513) million), representing a year-on-year increase of 213.39%, which was due to a year-on-year increase in interest expenses as a result of the rise in the interest rate of US dollar loans during the period.

Income tax expenses

During the Reporting Period, the income tax expenses of the Group were RMB661.589 million (same period in 2022: RMB1,264.012 million), representing a year-on-year decrease of 47.66%, which was mainly due to the decrease in profit before tax during the period. For details, please refer to note 10 to "6 2023 Interim Financial Report" in the Announcement.

Liquidity and capital source

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2023, the Group's cash at bank and on hand amounted to RMB17,810.37 million (31 December 2022: RMB17,111.587 million), representing an increase of 4.08% 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 RMB(2,008.282) million (same period in 2022: RMB3,635.390 million), net cash flows from investing activities of RMB(4,072.863) million (same period in 2022: RMB(1,876.542) million) and net cash flows from financing activities of RMB6,904.668 million (same period in 2022: RMB3,573.706 million). As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB17,042.395 million (same period in 2022: RMB22,327.791 million) and the main currencies were RMB and US dollar.

Bank loans and other borrowings

As at 30 June 2023, the Group's short-term borrowings, non-current borrowings due within one year, other current liabilities (super & short-term commercial papers), long-term borrowings and debentures payable in aggregate amounted to RMB35,354.623 million (31 December 2022: RMB26,432.937 million).

Unit: RMB thousand

	As at 30 June 2023 (unaudited)	As at 31 December 2022 (audited)
Short-term borrowings	**8,283,455**	4,370,714
Non-current borrowings due within one year	**4,479,459**	3,952,077
Other current liabilities (super & short-term commercial papers)	**2,000,000**	–
Long-term borrowings	**18,636,311**	16,213,919
Debentures payable	**1,955,398**	1,896,227
Total	**35,354,623**	26,432,937

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 2023, the Group's long-term interest-bearing debts were mainly USD-denominated contracts with floating rate linked to LIBOR amounting to USD1,743.58 million (31 December 2022: USD2,331.571 million). The interest rate range of the Group's short-term borrowings is 0.05% to 5.94% (31 December 2022: 0.05% to 5.65%), and the interest rate range of long-term borrowings is 1.19% to 6.45% (31 December 2022: 1.19% to 6.26%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB5,626.371 million (31 December 2022: approximately RMB5,540.233 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 2023, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB1,955.398 million (31 December 2022: RMB1,896.227 million), with maturity dates mainly spreading over one to five years.

Capital structure

The Group's capital structure consists of equity interest attributable to shareholders and liabilities. As at 30 June 2023, the Group's equity interest attributable to shareholders amounted to RMB62,418.003 million (31 December 2022: RMB62,656.084 million) in aggregate, total liabilities amounted to RMB91,634.178 million (31 December 2022: RMB83,243.865 million) and total assets amounted to RMB154,052.181 million (31 December 2022: RMB145,899.949 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 59% (31 December 2022: 57%), representing an increase of 2% as compared with the end of the previous year, which was mainly due to the combined effect of the increase in interest-bearing liabilities and appropriation of working capital and dividend distribution (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).

Interest rate risk

The Group's interest rate risk mainly arises from long-term interest-bearing debts including long-term bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2023, the Group's long-term interest-bearing debts were mainly USD-denominated contracts with floating rates linked to LIBOR, amounting to USD1,743.580 million. As at 30 June 2023, the Group was still yet to complete the replacement of benchmark interest rate; and USD-denominated contracts with floating rates linked to SOFR amounted to USD204.557 million.

The Group continuously monitors its interest rate position. Increases in interest rates will increase the cost of new borrowings and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. The Group makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk.

As at 30 June 2023, if the interest rates on floating rate borrowings linked to LIBOR had risen/fallen by 50 basis points while all other variables held constant, the Group's net profit would be approximately USD10.078 million lower/higher.

Exchange rate fluctuation risk and relevant hedge

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

During the Reporting Period, the Group's losses arising from changes in fair values of the derivative financial instruments were RMB912.588 million, which represented gains or losses from fair value changes in the unsettled part; investment losses were RMB343.573 million, which represented the realised investment gains or losses from the settled part; the losses from the unsettled and settled parts were RMB1,256.161 million in total. During the Reporting Period, the Group recorded net losses of RMB1,260.755 million from foreign exchange related derivatives investment activities, which constituted most of the total losses from derivative financial instruments; Meanwhile, net exchange gains of RMB690.239 million was recorded during the current period.

All the derivatives trading activities carried out by the Group were for the purpose of hedging. All the foreign exchange derivatives trading activities were for the purpose of hedging against interest rate risk to smooth the uncertainty caused by changes in exchange rates on the Company's operations. As RMB depreciated significantly against US dollars during the Reporting Period, the Group's hedging of exchange rate exposure, which was mainly export proceeds/net assets denominated in US dollars, has established a negative hedge relationship with losses on hedging instrument and exchange gains at last.

The Group did not adopt hedging accounting for its hedging business. According to the Accounting Standards for Business Enterprises No. 24 – Hedging Accounting, as the recognition and calculation basis for hedged risk exposure and financial instrument hedging against the risk exposure are different, although the hedged item and hedging instrument achieve risk hedge, there will be gains or losses fluctuation under regular accounting treatments during the reporting period within the hedging period. The hedged items of the Group included legally binding agreements which were contracted but not yet recognized in the balance sheet, namely the "unrecognized firm commitment" as referred to in the Accounting Standards for Business Enterprises No. 24 – Hedging Accounting. This part of hedged items generated an estimated net gain of approximately RMB420,280,000 when US dollars appreciated against RMB, which was not included in the abovementioned net exchange gains.

Except for the abovementioned factors, the premium of the forward factors of foreign exchange forward contract hedging instruments and the difference between RMB central parity rate and market price might also affect the Group's net gains or losses from foreign exchange related derivatives investment activities during the Reporting Period. In general, the foreign exchange derivatives hedging business of the Group has followed the risk-neutral and value-preserving principles and speculative transactions have been prohibited. Under the background of significant fluctuation of RMB against US dollars and high hedging cost, the management goals of neutral exchange rate risk and value preservation have been basically achieved.

Credit risk

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

Pledge of assets

As at 30 June 2023, the restricted assets of the Group totally amounted to RMB1,172.653 million (31 December 2022: RMB1,361.585 million). For details, please refer to note 15 of "6 2023 Interim Financial Report" in the Announcement.

Capital commitments

As at 30 June 2023, the Group had capital expenditure commitments of approximately RMB89.663 million (31 December 2022: approximately RMB131.846 million), representing a decrease of 31.99% as compared with the end of the previous year, which was mainly used for fixed assets purchase contracts. For details, please refer to note 17(1) of "6 2023 Interim Financial Report" in the Announcement.

Contingent liability

For details, please refer to note 16 of "6 2023 Interim Financial Report" in the Announcement.

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

On 15 March 2023, the strategic restructuring of C&C Trucks Co., Ltd. was completed, upon which the equity interests of the Company in C&C Trucks Co., Ltd. were reduced from 73.89% to 35.42%. C&C Trucks Co., Ltd. became an associate of the Company and was no longer a controlling subsidiary of the Company. During the Reporting Period, save as disclosed above, the Group did not have any major acquisitions or 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 as 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 "3.3.1 Industrial Analysis and Corporate Operating Strategy of Major Business Segments" in the Announcement. The operating and capital expenditures of the Group are mainly financed by our self-owned fund and external financing. Concurrently, the Group will take a prudent attitude in order to enhance its future operating cash flow. According to the changes in economic situation and operating environment, as well as the needs of the Group's strategic upgrade and business development, the actual capital expenditure of the Group in the first half of the year amounted to approximately RMB3.84 billion , and it is expected to incur capital expenditure of approximately RMB10.47 billion in the second half of the year. The capital expenditure is mainly used in the acquisition of equities and fixed assets, intangible assets and other long-term assets, etc. The Group will continue to consider various types of financing arrangements.

Employees and remuneration policies

As of 30 June 2023, the Group's total number of employees worldwide, including contract employees, employed retirees and part-time employees and others, was 64,923, of which 51,240 were contract employees across the globe (as of 31 December 2022, the Group's total number of employees worldwide, including contract employees, employed retirees and part-time employees and others, was 62,194, of which 51,543 were contract employees across the globe). The total staff cost during the Reporting Period, including directors' remuneration, contributions to the retirement benefit schemes and share option incentive schemes, amounted to approximately RMB5,666.978 million (same period in 2022: approximately RMB5,929.354 million).

The Group provides salary and bonus payment to its employees based on their performance, position value, qualification, experience and market conditions. 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 and audit) 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.

Core Employee Stock Ownership Scheme

On 28 June 2022, as approved at the 2021 annual general meeting of the Company, it was agreed that the "Core Employee Stock Ownership Scheme" (the "**Stock Ownership Scheme**") is to be established with the legal remuneration and bonus amounts of the employees for the bonus drawn by the Company under the profit sharing scheme and the operation plan of purchasing A shares of the Company I n the secondary market or transferring A shares repurchased by the Company is to be implemented; and it was also agreed that the "Core Employee Stock Ownership Scheme of China International Marine Containers (Group) Co., Ltd." (the "**Scheme**") is to be formulated in accordance with the aforesaid operation plan. The duration of the Scheme is ten years, commencing from the date on which the Scheme is considered and approved at the shareholders' general meeting of the Company. The lock-up period of the A shares of CIMC purchased in the secondary market by Tranches of Stock Ownership Schemes under the Scheme or transferred from those repurchased by the Company is 12 months, and no trading can be conducted during the lock-up period. As at the disclosure date of this announcement, the Company has not yet implemented any phase of the Core Employee Stock Ownership Scheme.

Reference is made to page 138 of the annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (the "**Annual Report**") with the paragraph headed "IMPLEMENTATION OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES". Unless otherwise defined, the capitalised terms below shall have the same meanings with those defined in the Annual Report.

The Company would like to further explain that as the Core Employee Stock Ownership Scheme of the Company is an operation plan to purchase A shares in the secondary market or transferring A shares repurchased by the Company which does not involve the issuance of any new Shares of the Company, no share is available for issue under the Core Employee Stock Ownership Scheme as at the date of the Annual Report.

Public float

The Company satisfied the requirements of the Hong Kong Listing Rules in relation to the minimum public float.

Dividend distribution

The Company does not intend to distribute any interim cash dividend, issue bonus shares or convert shares from reserves into share capital for the six months ended 30 June 2023 (same period in 2022: Nil).

PURCHASE, SALE AND REDEMPTION OF SHARES

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

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.

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 set out in Part 2 of Appendix 14 of the Hong Kong Listing Rules (including the new code provisions in relation to internal control and risk management) during the Reporting Period, except for the deviation from the code provision C.5.1 and code provision C.2.1. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

Code provision C.5.1 under the Corporate Governance Code requires that "The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present". During the Reporting Period, the Company held 12 Board meetings, of which 1 meeting was held on site. The executive Directors manage and monitor the business operation and propose to hold board meetings to have discussions and make decisions on the Group's major business or management matters from time to time. Accordingly, certain relevant decisions were made by all Directors by way of written resolutions. The Directors are of the opinion that, the fairness and validity of the decisions made for the business had adequate assurance. The Company will strive to put effective corporate governance practices into practice in future.

Code provision C.2.1 under the Corporate Governance Code requires that "The roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing". During the Reporting Period, Mr. MAI Boliang served as the Chairman and the CEO of the Company. The Board of the Company believes that vesting the roles of both the Chairman and the CEO in Mr. MAI 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.

AUDIT COMMITTEE

The audit committee has been formed by the Board of the Company pursuant to Appendix 14 of the Hong Kong Listing Rules. The tenth session of the audit committee of the Company comprises Mr. YANG Xiong (chairman of the audit committee with professional qualifications and experience in financial management such as accounting), Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel.

On 29 August 2023, the audit committee has discussed with the management and reviewed the 2023 Interim Financial Report (Unaudited) of the Group for the six months ended 30 June 2023. The audit committee has no disagreement with the accounting treatment adopted in the 2023 Interim Financial Report (Unaudited) of the Company and agreed to present the same to the Board.

Disclosure required 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 2022 Annual Report of the Company.

5 SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

5.1 Other significant events during the Reporting Period

1. The Company considered and approved the Resolution Regarding the Application for Registration and Issuance of Debt Financing Instrument of the Association of Financial Market Institutional Investors (《關於申請註冊發行銀行間市場交易商協會債務融資工具的議案》) at the annual general meeting of 2020 held on 2 June 2021, which approved the registration and issuance by the Company of multi-type debt financing instruments with the issuance size of each type not more than a total of RMB12 billion. On 17 January 2023, the Company has completed the issuance of the first tranche of super & short-term commercial papers for 2023. The proceeds raised from it were fully received on 17 January 2023. The issuance amount was RMB0.5 billion and the issue rate was 2.21% per annum. On 25 May 2023, the Company has completed the issuance of the second tranche of super & short-term commercial papers for 2023. The proceeds raised from it were fully received on 26 May 2023. The issuance amount was RMB1.5 billion and the issue rate was 2.15% per annum. On 12 June 2023, the Company has completed the issuance of the third tranche of super & short-term commercial papers for 2023 (technology innovation instrument). The proceeds raised from it were fully received on 13 June 2023. The issuance amount was RMB0.5 billion and the issue rate was 2.05% per annum.

2. On 24 February 2023, as considered and approved at the second meeting in 2023 of the tenth session of the Board of the Company, the Company entered into relevant agreements with CIMC Leasing and Shenzhen Huijin Intelligent Industry Co., Ltd. ("**Huijin Intelligent**"), respectively, pursuant to which the Group would continue to provide goods and/or services to CIMC Leasing and its subsidiaries, etc. ("**Leasing Company**") and Huijin Intelligent and its subsidiaries, etc. ("**Huijin Company**"), as well as receive the goods and services provided by Leasing Company, and the proposed caps in respect of the continuing connected transactions for the three years ending 31 December 2023, 2034 and 2025 were agreed on (the "**Shenzhen Capital Group Subsidiaries Framework Agreements**"). The proposed caps under the Shenzhen Capital Group Subsidiaries Framework Agreements and the actual transaction amounts for the six months ended 30 June 2023 are shown below:

Unit: RMB thousand

Related parties	Scope of related-party transactions	Proposed caps For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025	Actual transaction amounts For the six months ended 30 June 2023
Leasing Company	Sale of goods and provision of services to the counterparty by the Group, etc.	1,410,000	1,410,000	1,410,000	166,795
	Purchase of goods and receiving of services from the counterparty by the Group, etc.	100,000	100,000	100,000	14,258
Huijin Company	Provision of services to the counterparty by the Group, etc.	50,000	50,000	50,000	87

3. China Merchants Offshore Engineering Investment Shen Zhen Co., Ltd. ("**CMOEI**", and together with its subsidiaries and associates, collectively referred to as the "**CMOEI Group**") signed the Continuing Connected Transaction Framework Agreements with the Company on 26 June 2023, and published the announcement titled "Continuing Connection Transactions" on 26 June 2023. The Group would continue to provide goods and services to the CMOEI Group and it was agreed that the proposed caps in respect of the continuing connected transactions/daily related-party transactions for the three years ending 31 December 2023, 2034 and 2025 were RMB200 million. Further disclosure of the Company is as follows:

   According to the data of "DNV Maritime Forecast to 2050" released by Det Norske Veritas group, only 186 marine ships are equipped with LNG power systems in 2020, and 356 marine ships are LNG-powered ships in 2022. It is expected that the LNG-powered ships will increase by 187 and 180 in 2023 and 2024, respectively, compared with 61 and 109 in 2021 and 2022, respectively, representing a significant increase.

   Also, the shipbuilding business of China Merchants Industry Holdings Co., Ltd. is mainly operated by three shipyards of CMOEI. In general, since a single LNG-powered ship requires multiple LNG fuel tanks, the new demand for LNG fuel tanks is more vigorous. Previously, due to less orders of LNG-powered ships and fuel tanks, the CMOEI Group had sufficient production capacity and did not place orders in CIMC. However, in recent years, as explained in previous paragraph, given the fact that the demand for LNG-powered ships and LNG marine tanks has increased rapidly, it has resulted in tight production capacity of the counterparty. In order to ease the delivery pressure, the CMOEI Group is expected to sub-contract some of the orders to CIMC for production. The main reasons being, on one hand, CIMC has the ability to provide customers with diversified and customized fuel tank solutions, and the pricing is competitive in the market; and on the other hand, the subsidiary of CIMC, which operates LNG fuel tanks manufacturing business, is in the same area as the shipyard of CMOEI, which has geographical advantages. Thus, after rounds of discussion with the counterparty, the Company understood that there will be a business demand of RMB200 million from CMOEI in the future. Hence, both parties have agreed to sign the Framework Agreements with the Company on 26 June 2023.

5.2 Other significant events of subsidiaries during the Reporting Period

1. On 10 August 2022, as considered and approved at the fourth meeting in 2022 of the tenth session of the Board of the Company, CIMC Capital Management Co., Ltd.* (中集資本管理有限公司) ("**CIMC Capital Management**"), an indirect controlling subsidiary of the Company, and the professional investment institution Vanho Capital Investment Co., Ltd.* (萬和弘遠投資有限公司) ("**Vanho Capital**") entered into the Cooperation Framework Agreement for CIMC Hongyuan Advanced Manufacturing Industry Fund, cooperating to establish the "CIMC Hongyuan Advanced Manufacturing Industry Fund (中集弘遠先進製造產業基金)". The total size of it is RMB1 billion, to be raised in two tranches: the first tranche to be RMB100 million and the second tranche to be RMB900 million. For the first fund of the second tranche fund, on 10 March 2023, CIMC Capital Management, CIMC Capital Holdings Co. Ltd.* (中集資本控股有限公司) ("**CIMC Capital Holdings**", a wholly-owned subsidiary of the Company), Vanho Capital, Luoyang Manufacturing High Quality Development Fund (Limited Partnership)* (洛陽製造業高質量發展基金(有限合夥)), Luoyang Productivity Promotion Center Co., Ltd.* (洛陽市生產力促進中心有限公司) and Luoyang Longfeng Construction Investment Co., Ltd.* (洛陽龍豐建設投資有限公司) entered into the Partnership Agreement for Luoyang Zhongtai Longchuang Technology Venture Fund Partnership (Limited Partnership)* (洛陽中泰龍創科技創投基金合夥企業(有限合夥)). The size of the first fund of the second tranche fund is RMB100 million, RMB30 million of which is to be contributed by CIMC Capital Management and CIMC Capital Holdings aggregately, accounting for 30%. The fundraising of the first fund of the second tranche fund has been completed and the industrial and commercial registration has also been completed.

2. On 26 May 2023, in accordance with the review results of the meeting of the listing committee of the Shenzhen Stock Exchange, the application for the initial public offering and listing of shares on CIMC-TianDa on the ChiNext Board of the Shenzhen Stock Exchange has been approved by the Listing Review Committee. The A-shares Listing of CIMC-TianDa is subject to the fulfillment of the offering registration procedures of the CSRC.

5.3 Significant Events Subsequent to the Reporting Period

For details of the significant events of the Company subsequent to the Reporting Period, please refer to note 19 to "6 2023 Interim Financial Report" of this Announcement.

Save as disclosed above, the Company did not have any other significant events subsequent to the Reporting Period.

6 2023 INTERIM FINANCIAL REPORT

6.1 Financial Statements Prepared in Accordance with CASBE

6.6.1 Consolidated Balance Sheet (unaudited)

Unit: RMB thousand

ASSETS	*Notes*	**30 June 2023**	31 December 2022
Current assets:			
Cash at bank and on hand		**17,810,370**	17,111,587
Financial assets held for trading		**1,387,369**	1,060,953
Derivative financial assets	*3*	**36,428**	160,660
Notes receivables		**1,055,832**	639,162
Accounts receivables	*4*	**22,887,986**	22,286,602
Receivables financing		**567,152**	628,967
Other receivables		**3,695,119**	3,252,724
Advances to suppliers		**7,634,990**	6,023,481
Inventories		**19,294,635**	18,331,548
Contract assets		**5,201,596**	3,927,838
Assets held for sale		**426,444**	2,166,440
Non-current assets due within one year		**71,023**	88,906
Other current assets		**1,300,325**	1,305,318
Total current assets		**81,369,269**	76,984,186
Non-current assets:			
Other equity investments		**2,556,665**	2,699,048
Other non-current financial assets		**188,960**	126,060
Long-term receivables		**55,129**	35,377
Long-term equity investments		**11,794,839**	10,531,627
Investment properties		**1,454,615**	1,453,007
Fixed assets		**40,469,374**	39,202,494
Construction in progress		**4,232,047**	4,740,879
Intangible assets		**5,757,053**	4,331,430
Development expenditures		**52,509**	35,779
Right-of-use assets		**944,888**	874,640
Goodwill		**2,593,421**	2,516,875
Long-term prepaid expenses		**1,004,184**	913,177
Deferred tax assets		**1,252,377**	1,106,771
Other non-current assets		**326,851**	348,599
Total non-current assets		**72,682,912**	68,915,763
TOTAL ASSETS		**154,052,181**	145,899,949

6.6.1 Consolidated Balance Sheet (unaudited) (continued)

Unit: RMB thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	*Notes*	**30 June 2023**	31 December 2022
Current liabilities:			
Short-term borrowings		**8,283,455**	4,370,714
Derivative financial liabilities	*3*	**2,312,851**	1,318,327
Financial liabilities held for trading		**31,639**	35,685
Notes payables		**3,605,631**	3,129,916
Accounts payables	*5*	**17,369,452**	16,562,146
Advances from customers		**22,248**	24,465
Contract liabilities		**14,282,940**	12,191,280
Employee benefits payable		**4,873,284**	5,332,059
Liabilities held for sale		**–**	1,984,154
Taxes payable		**1,619,929**	4,903,749
Other payables		**7,732,150**	7,016,863
Provisions		**1,445,751**	1,387,532
Non-current liabilities due within one year		**4,674,865**	4,191,030
Other current liabilities		**2,431,895**	550,234
Total current liabilities		**68,686,090**	62,998,154
Non-current liabilities:			
Long-term borrowings		**18,636,311**	16,213,919
Debentures payable		**1,955,398**	1,896,227
Lease liabilities		**813,299**	732,885
Long-term payables		**90,102**	85,634
Deferred income		**1,047,026**	996,373
Deferred tax liabilities		**384,454**	290,953
Other non-current liabilities		**21,498**	29,720
Total non-current liabilities		**22,948,088**	20,245,711
Total liabilities		**91,634,178**	83,243,865

6.6.1 Consolidated Balance Sheet (unaudited) (continued)

Unit: RMB thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	*Notes*	**30 June 2023**	31 December 2022
Shareholders' equity:			
Share capital		**5,392,521**	5,392,521
Other equity instruments		**2,017,674**	2,049,774
Including: Perpetual bonds		**2,017,674**	2,049,774
Capital reserve		**3,774,468**	4,207,798
Other comprehensive income		**803,215**	1,065,540
Surplus reserve		**4,300,255**	4,300,255
Undistributed profits	*6*	**30,993,343**	31,597,541
Total equity attributable to shareholders and other equity holders of the Company		**47,281,476**	48,613,429
Minority interests		**15,136,527**	14,042,655
Total shareholders' equity		**62,418,003**	62,656,084
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**154,052,181**	145,899,949

6.6.2 Balance Sheet (unaudited)

Unit: RMB thousand

ASSETS	**30 June 2023**	31 December 2022
Current assets:		
Cash at bank and on hand	**979,185**	562,612
Derivative financial assets	**–**	483
Accounts receivables	**53,686**	12,370
Other receivables	**29,272,206**	25,114,528
Total current assets	**30,305,077**	25,689,993
Non-current assets:		
Other equity investments	**2,010,214**	2,169,707
Long-term equity investments	**16,441,362**	13,570,205
Investment properties	**126,181**	126,181
Fixed assets	**107,574**	113,535
Construction in progress	**20,339**	15,321
Intangible assets	**1,548,804**	171,185
Long-term prepaid expenses	**8,396**	973
Total non-current assets	**20,262,870**	16,167,107
TOTAL ASSETS	**50,567,947**	41,857,100

6.6.2 Balance Sheet (unaudited) (continued)

Unit: RMB thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2023	31 December 2022
Current liabilities:		
Short-term borrowings	**2,201,834**	–
Derivative financial liabilities	**107,176**	518
Employee benefits payable	**380,598**	380,598
Taxes payable	**8,162**	5,221
Other payables	**8,252,739**	8,494,781
Non-current liabilities due within one year	**2,072,179**	1,677,186
Other current liabilities	**2,000,000**	–
Total current liabilities	**15,022,688**	10,558,304
Non-current liabilities:		
Long-term borrowings	**5,544,823**	2,733,000
Debentures payable	**501,083**	507,583
Deferred income	**2,536**	3,497
Total non-current liabilities	**6,048,442**	3,244,080
Total liabilities	**21,071,130**	13,802,384
Shareholders' equity:		
Share capital	**5,392,521**	5,392,521
Other equity instruments	**2,017,674**	2,049,774
Including: Perpetual bonds	**2,017,674**	2,049,774
Capital reserve	**1,015,449**	1,015,449
Other comprehensive income	**506,505**	639,000
Surplus reserve	**4,300,255**	4,300,255
Undistributed profits	**16,264,413**	14,657,717
Total shareholders' equity	**29,496,817**	28,054,716
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**50,567,947**	41,857,100

6.6.3 Consolidated Income Statement (unaudited)

Unit: RMB thousand

ITEMS	*Notes*	**January – June 2023**	January – June 2022
I. Revenue	*7*	**60,573,968**	72,126,258
Less: Cost of sales	*7*	**52,299,058**	61,198,794
Taxes and surcharges		**256,782**	262,488
Selling and distribution expenses		**1,241,270**	1,181,249
General and administrative expenses		**2,936,470**	3,385,359
Research and development expenses		**1,119,777**	1,043,695
Financial expenses/(profit)		**130,985**	(115,513)
Including: Interest expenses		**897,206**	562,213
Interest income		**146,041**	150,111
Asset impairment losses	*8*	**100,416**	45,803
Credit impairment losses	*8*	**34,530**	133,285
Add: Other income		**223,582**	200,576
Investment income		**74,084**	170,092
Including: Share of profit/(loss) of associates and joint ventures		**136,674**	(33,580)
Fair value losses		**(1,125,670)**	(911,252)
Gains on disposals of assets		**18,363**	3,007
II. Operating profit		**1,645,039**	4,453,521
Add: Non-operating income	*9*	**60,578**	80,720
Less: Non-operating expenses		**53,646**	36,141
III. Profit before income tax		**1,651,971**	4,498,100
Less: Income tax expenses	*10*	**661,589**	1,264,012
IV. Net profit		**990,382**	3,234,088
Classified by business continuity			
Net profit from continuing operations		**904,759**	3,336,610
Net loss from discontinued operations		**85,623**	(102,522)
Classified by ownership			
Net profit attributable to shareholders and other equity holders of the Company		**398,556**	2,538,512
Profit or loss attributable to minority shareholders	*11*	**591,826**	695,576

6.6.3 Consolidated Income Statement (unaudited) (continued)

Unit: RMB thousand

ITEMS	*Notes*	**January – June 2023**	January – June 2022
V. Other comprehensive income, net of tax		**(129,650)**	(313,101)
Attributable to shareholders and other equity holders of the Company		**(262,325)**	(249,140)
Items that will not be reclassified to profit or loss		**(142,383)**	(107,081)
Changes in fair value of other equity investments		**(142,383)**	(107,081)
Items that may be reclassified to profit or loss		**(119,942)**	(142,059)
The amount by which the fair value was greater than the book value on the conversion date of investment properties		**775**	7,231
Other comprehensive income that can be reclassified into profit or loss under the equity method		**74,445**	–
Currency translation differences		**(195,162)**	(149,290)
Minority interests		**132,675**	(63,961)
VI. Total comprehensive income		**860,732**	2,920,987
Attributable to shareholders and other equity holders of the Company		**136,231**	2,289,372
Minority interests		**724,501**	631,615
VII. Earnings per share			
Basic earnings per share *(RMB)*	*12*	**0.07**	0.47 (adjusted)
Diluted earnings per share *(RMB)*	*12*	**0.07**	0.46 (adjusted)

6.6.4 Income Statement (unaudited)

Unit: RMB thousand

ITEMS	January – June 2023	January – June 2022
I. Revenue	**78,432**	147,475
Less: Cost of sales	**–**	–
Taxes and surcharges	**4,332**	2,947
General and administrative expenses	**165,942**	182,701
Research and development expenses	**487**	273
Financial (income)/expenses	**(12,233)**	(14,774)
Including: Interest expenses	**246,682**	300,578
Interest income	**28,567**	34,777
Asset impairment losses	**207,616**	–
Credit impairment losses	**–**	–
Add: Other income	**2,274**	(872)
Investment income	**2,986,104**	7,070,353
Fair value losses	**(107,141)**	(62,667)
Losses on disposals of assets	**(235)**	(23)
II. Operating profit	**2,593,290**	6,983,119
Add: Non-operating income	**16,160**	1,583
Less: Non-operating expenses	**–**	85
III. Profit before income tax	**2,609,450**	6,984,617
Less: Income tax expenses	**–**	–
IV. Net profit	**2,609,450**	6,984,617
Classified by business continuity		
Net profit from continuing operations	**2,609,450**	6,984,617
Net profit from discontinued operations	**–**	–
V. Other comprehensive income, net of tax	**(132,495)**	(6,979)
Items that will not be reclassified to profit or loss	**(159,493)**	(6,979)
Changes in fair value of other equity investments	**(159,493)**	(6,979)
Items that may be reclassified to profit or loss	**26,998**	–
Other comprehensive income that can be reclassified into profit or loss under the equity method	**26,998**	–
VI. Total comprehensive income	**2,476,955**	6,977,638

6.6.5 Consolidated Cash Flow Statement (unaudited)

Unit: RMB thousand

ITEMS	**January – June 2023**	January – June 2022
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	**59,967,229**	72,864,568
Refund of taxes and surcharges	**1,631,292**	2,858,814
Cash received relating to other operating activities	**929,325**	1,587,903
Sub-total of cash inflows	**62,527,846**	77,311,285
Cash paid for goods and services	**51,277,666**	62,111,650
Cash paid to and on behalf of employees	**6,325,874**	5,934,476
Payments of taxes and surcharges	**4,891,583**	3,740,761
Cash paid relating to other operating activities	**2,041,005**	1,889,008
Sub-total of cash outflows	**64,536,128**	73,675,895
Net cash inflows from operating activities	**(2,008,282)**	3,635,390
II. Cash flows from investing activities		
Cash received from disposal of investments	**4,594,999**	3,460,758
Cash received from returns on investments	**501,144**	738,082
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**56,640**	239,565
Net cash received from disposal of subsidiaries	**3,800**	455,271
Cash received relating to other investment activities	**7,095**	11,421
Sub-total of cash inflows	**5,163,678**	4,905,097
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**2,450,649**	1,412,864
Cash paid to acquire investments	**6,007,835**	4,594,516
Net cash paid to acquire subsidiaries	**10,434**	15,501
Cash paid relating to other investing activities	**767,623**	758,758
Sub-total of cash outflows	**9,236,541**	6,781,639
Net cash inflows from investing activities	**(4,072,863)**	(1,876,542)

6.6.5 Consolidated Cash Flow Statement (unaudited) (continued)

Unit: RMB thousand

ITEMS	**January – June 2023**	January – June 2022
III. Cash flows from financing activities		
Cash received from capital contributions	**96,693**	2,191,528
Including: Cash received from capital contributions by minority shareholders of subsidiaries	**96,693**	2,191,528
Cash received from borrowings	**14,211,626**	7,678,211
Cash received from issuing bond	**2,499,668**	2,500,000
Cash received relating to other financing activities	**9,957**	161,524
Sub-total of cash inflows	**16,817,944**	12,531,263
Cash repayments of borrowings	**8,532,504**	7,519,393
Cash payments for distribution of dividends or profits and interest expenses	**1,168,317**	924,839
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	**322,384**	364,106
Cash payments relating to other financing activities	**212,455**	513,325
Sub-total of cash outflows	**9,913,276**	8,957,557
Net cash inflows from financing activities	**6,904,668**	3,573,706
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**306,572**	465,249
V. Net increase in cash and cash equivalents	**1,130,095**	5,797,803
Add: Cash and cash equivalents at the beginning of the year	**15,912,300**	16,529,988
VI. Cash and cash equivalents at the end of the period	**17,042,395**	22,327,791

6.6.6 Cash Flow Statement (unaudited)

Unit: RMB thousand

ITEMS	**January – June 2023**	January – June 2022
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	**33,478**	116,375
Cash received relating to other operating activities	**44,137**	152,638
Sub-total of cash inflows	**77,615**	269,013
Cash paid to and on behalf of employees	**116,076**	138,093
Payments of taxes and surcharges	**18,470**	33,065
Cash paid relating to other operating activities	**49,930**	163,012
Sub-total of cash outflows	**184,476**	334,170
Net cash flows from operating activities	**(106,861)**	(65,157)
II. Cash flows from investing activities		
Cash received from disposal of investments	**7,588,506**	5,091,000
Cash received from returns on investments	**2,857,502**	5,894,211
Net cash received from disposal of fixed assets	**63**	92
Net cash received from disposal of subsidiaries	**–**	367,367
Sub-total of cash inflows	**10,446,071**	11,352,670
Cash paid to acquire fixed assets and other long-term assets	**1,398,336**	10,211
Cash paid to acquire investments	**4,000,000**	2,154,202
Net cash paid to acquire subsidiaries	**1,178,524**	651,690
Cash paid relating to other investing activities	**8,429,988**	2,781,329
Sub-total of cash outflows	**15,006,848**	5,597,432
Net cash inflows from investing activities	**(4,560,777)**	5,755,238

6.6.6 Cash Flow Statement (unaudited) (continued)

Unit: RMB thousand

ITEMS	**January – June 2023**	January – June 2022
III. Cash flows from financing activities		
Cash received from borrowings	**10,508,023**	1,665,000
Cash received from issuing bonds	**2,499,668**	2,500,000
Cash received relating to other financing activities	**3,200,000**	500,000
Sub-total of cash inflows	**16,207,691**	4,665,000
Cash repayments of borrowings	**5,602,700**	2,363,000
Cash payments for distribution of dividends or profits and interest expenses	**318,515**	194,772
Cash payments relating to other financing activities	**5,202,635**	2,003,943
Sub-total of cash outflows	**11,123,850**	4,561,715
Net cash outflows from financing activities	**5,083,841**	103,285
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**351**	472
V. Net increase in cash and cash equivalents	**416,554**	5,793,838
Add: Cash and cash equivalents at the beginning of the year	**550,709**	3,072,197
VI. Cash and cash equivalents at the end of the period	**967,263**	8,866,035

6.6.7 *Consolidated Statement of Changes in Shareholders' Equity (unaudited)*

Unit: RMB thousand

January – June 2023

Item	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
	Attributable to shareholders and other equity holders of the Company							
I. Balance at 31 December 2022	**5,392,521**	**2,049,774**	**4,207,798**	**1,065,540**	**4,300,255**	**31,597,541**	**14,042,655**	**62,656,084**
Change in accounting policies	-	-	-	-	-	-	-	-
II. Balance at 1 January 2023	**5,392,521**	**2,049,774**	**4,207,798**	**1,065,540**	**4,300,255**	**31,597,541**	**14,042,655**	**62,656,084**
III. Movements for the period								
(I) Total comprehensive income								
1. Net profit	-	32,100	-	-	-	366,456	591,826	990,382
2. Other comprehensive income	-	-	-	(262,325)	-	-	132,675	(129,650)
Sub-total of 1&2	-	32,100	-	(262,325)	-	366,456	724,501	860,732
(II) Capital contribution and withdrawal by owners								
1. Contributions by minority shareholders	-	-	-	-	-	-	100,990	100,990
2. Increase in minority interests resulted from acquisition or establishment of subsidiary	-	-	-	-	-	-	-	-
3. Acquisition of minority interests of subsidiaries	-	-	(453,295)	-	-	-	377,467	(75,828)
4. Disposal of subsidiaries (loss of control)	-	-	-	-	-	-	399,006	399,006
5. Disposal of subsidiaries (without losing control)	-	-	-	-	-	-	-	-
6. Increase in capital reserve resulted from share option exercised by subsidiary	-	-	-	-	-	-	-	-
7. Increase in shareholders' equity resulted from share-based payments	-	-	25,538	-	-	-	51,492	77,030
8. Issuance of other equity instruments	-	-	-	-	-	-	-	-
9. Increase in capital from capital reserve	-							
10. Others	-	-	(5,573)	-	-	-	-	(5,573)
(III) Profit distribution								
1. Appropriation to surplus reserves	-	-	-	-	-	-	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(970,654)	(559,584)	(1,530,238)
3. Interest paid on other equity instruments	-	(64,200)	-	-	-			(64,200)
IV. Balance at 30 June 2023	**5,392,521**	**2,017,674**	**3,774,468**	**803,215**	**4,300,255**	**30,993,343**	**15,136,527**	**62,418,003**

2022

Item	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
	Attributable to shareholders and other equity holders of the Company							
I. Balance at 31 December 2022	3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090
Change in accounting policies	-	-	-	-	-	-	-	-
II. Balance at 1 January 2023	3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090
III. Movements for the period								
(I) Total comprehensive income								
1. Net profit	-	55,435	-	-	-	3,163,791	1,381,916	4,601,142
2. Other comprehensive income	-	-	-	280,650	-	-	(18,606)	262,044
Sub-total of 1&2	-	55,435	-	280,650	-	3,163,791	1,363,310	4,863,186
(II) Capital contribution and withdrawal by owners								
1. Contributions by minority shareholders	-	-	727,796	-	-	-	1,873,121	2,600,917
2. Increase in minority interests resulted from acquisition or establishment of subsidiary	-	-	-	-	-		45,079	45,079
3. Acquisition of minority interests of subsidiaries	-	-	(404,748)	-	-	-	(239,129)	(643,877)
4. Disposal of subsidiaries (loss of control)	-	-	(175)	-	-	-	(358,312)	(358,487)
5. Disposal of subsidiaries (without losing control)	-		70,354	-	-	-	282,344	352,698
6. Increase in capital reserve resulted from share option exercised by subsidiary	-	-	3,265	-	-	-	2,098	5,363
7. Increase in shareholders' equity resulted from share-based payments	-	-	88,907	-	-	-	48,658	137,565
8. Issuance of other equity instruments	-	1,994,339	-	-	-	-	-	1,994,339
9. Increase in capital from capital reserve	1,797,507	-	(1,797,507)	-	-	-	-	-
10. Others	-	-	(4,190)	-	-	-	-	(4,190)
(III) Profit distribution								
1. Appropriation to surplus reserves	-	-	-	-	712,658	(712,658)	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(2,480,628)	(835,971)	(3,316,599)
3. Interest paid on other equity instruments	-	-	-	-	-	-	-	-
IV. Balance at 30 June 2023	5,392,521	2,049,774	4,207,798	1,065,540	4,300,255	31,597,541	14,042,655	62,656,084

6.6.8 Statement of Changes in Shareholders' Equity (unaudited)

Unit: RMB thousand

Item	January – June 2023 Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2022	**5,392,521**	**2,049,774**	**1,015,449**	**639,000**	**4,300,255**	**14,657,717**	**28,054,716**
Change in accounting policies	-	-	-	-	-	-	-
II. Balance at 1 January 2023	**5,392,521**	**2,049,774**	**1,015,449**	**639,000**	**4,300,255**	**14,657,717**	**28,054,716**
III. Movements for the period							
(I) Total comprehensive income							
1. Net profit	-	**32,100**	-	-	-	**2,577,350**	**2,609,450**
2. Other comprehensive income	-	-	-	**(132,495)**	-	-	**(132,495)**
Sub-total of 1&2	-	**32,100**	-	**(132,495)**	-	**2,577,350**	**2,476,955**
(II) Capital contribution and withdrawal by owners							
1. Issuance of other equity instruments	-	-	-	-	-	-	-
2. Redemption of other equity instruments	-	-	-	-	-	-	-
3. Increase in capital from capital reserve	-	-	-	-	-	-	-
(III) Profit distribution							
1. Appropriation to surplus reserves	-	-	-	-	-	-	-
2. Profit distribution to shareholders	-	-	-	-	-	**(970,654)**	**(970,654)**
3. Interest paid on other equity instruments	-	**(64,200)**	-	-	-	-	**(64,200)**
(IV) Others							
1. Retrospective adjustments on equity method of changing subsidiaries as associates	-	-	-	-	-	-	-
IV. Balance at 30 June 2023	**5,392,521**	**2,017,674**	**1,015,449**	**506,505**	**4,300,255**	**16,264,413**	**29,496,817**

Item	2022 Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2022	3,595,014	-	2,812,956	383,171	3,587,597	10,282,677	20,661,415
Change in accounting policies	-	-	-	-	-	-	-
II. Balance at 1 January 2023	3,595,014	-	2,812,956	383,171	3,587,597	10,282,677	20,661,415
III. Movements for the period							
(I) Total comprehensive income							
1. Net profit	-	55,435	-	-	-	7,071,139	7,126,574
2. Other comprehensive income	-	-	-	223,174	-	-	223,174
Sub-total of 1&2	-	55,435	-	223,174	-	7,071,139	7,349,748
(II) Capital contribution and withdrawal by owners							
1. Issuance of other equity instruments	-	1,994,339	-	-	-	-	1,994,339
2. Redemption of other equity instruments	-	-	-	-	-	-	-
3. Increase in capital from capital reserve	1,797,507	-	(1,797,507)	-	-	-	-
(III) Profit distribution							
1. Appropriation to surplus reserves	-	-	-	-	712,658	(712,658)	-
2. Profit distribution to shareholders	-	-	-	-	-	(2,480,628)	(2,480,628)
3. Interest paid on other equity instruments	-	-	-	-	-	-	-
(IV) Others							
1. Retrospective adjustments on equity method of changing subsidiaries as associates	-	-	-	32,655	-	497,187	529,842
IV. Balance at 30 June 2023	5,392,521	2,049,774	1,015,449	639,000	4,300,255	14,657,717	28,054,716

NOTES:

1. BASIS OF PREPARATION

The financial statements were prepared in accordance with the Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and the specific accounting standards and other relevant regulations issued thereafter (hereinafter 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 to this financial statement have been disclosed in accordance with the 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 2023 to 30 June 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and the Company's financial position as at 30 June 2023 and their financial performance, cash flows and other information during January to June 2023.

3. DERIVATIVE FINANCIAL ASSETS AND DERIVATIVE FINANCIAL LIABILITIES

Unit: RMB thousand

	Notes	**30 June 2023**	31 December 2022
Derivative financial assets –			
Foreign exchange forward contracts	*(1)*	**33,607**	101,205
Exchange rate/interest rate swap contracts	*(3)*	**1,836**	–
Foreign exchange option contracts	*(2)*	**985**	59,455
		36,428	160,660
Derivative financial liabilities –			
Foreign exchange forward contracts	*(1)*	**897,607**	239,685
Foreign exchange option contracts	*(2)*	**40,242**	–
Exchange rate/interest rate swap contracts		**65,026**	–
Commitment to minority shareholders	*(4)*	**1,309,976**	1,078,642
		2,312,851	1,318,327

(1) Foreign exchange forward contracts

As at 30 June 2023, the Group had certain unsettled foreign exchange forward contracts, mainly denominated in US dollars, Japanese Yen, Great Britain Pound, Euro, HK dollar, Swedish Krona and Australian Dollar. The nominal value of these contracts amounted to USD2,489,271,000, JPY1,113,530,000, GBP10,000,000, EUR179,166,000, HKD312,960,000, SEK39,300,000 and AUD4,000,000, respectively. Pursuant to these contracts, the Group is required to buy/sell US Dollar, Japanese Yen, Great Britain Pound, Euro, HK dollar, Swedish Krona and Australian Dollar, with contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These foreign exchange forward contracts of the Group will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid contracts range from 3 July 2023 to 30 August 2024.

(2) Foreign exchange option contracts

As at 30 June 2023, the Group had certain unsettled foreign exchange option contracts, mainly denominated in USD and Euro. The nominal value of these contracts amounted to USD193,750,000 and EUR50,000,000, respectively. Pursuant to these contracts, the Group is required to buy/sell USD and Euro, with contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. The foreign exchange option contracts of the Group will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid contracts range from 10 July 2023 to 29 September 2023.

(3) Exchange rate/interest rate swap contracts

As at 30 June 2023, the Group had certain unsettled exchange rate/interest rate swap contracts, mainly denominated in USD and HK dollar. The nominal value of these contracts amounted to USD759,866,000 and HKD10,000,000, respectively. The settlement dates of the aforesaid contracts range from 5 July 2023 to 20 May 2027.

(4) Commitment to minority shareholders

CIMC Hong Kong, a wholly-owned subsidiary of the Group, shall compensate CIMC Offshore's minority shareholders for the difference below the agreed amount when it exits through the sale of equity to a third party. The Group's obligation to make up for such difference will be recognised as derivative financial liabilities at fair value.

4. ACCOUNTS RECEIVABLES

Unit: RMB thousand

	30 June 2023	31 December 2022
Accounts receivables	**23,916,667**	23,277,217
Less: Provision for bad debts	**(1,028,681)**	(990,615)
	22,887,986	22,286,602

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

Unit: RMB thousand

	30 June 2023	31 December 2022
Within 1 year (inclusive)	**22,415,474**	20,363,326
1 to 2 years (inclusive)	**752,381**	1,865,027
2 to 3 years (inclusive)	**240,634**	418,628
Over 3 years	**508,178**	630,236
	23,916,667	23,277,217

(b) As at 30 June 2023, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:

Unit: RMB thousand

	Book balance	**Provision for bad debts**	**% of total accounts receivables**
Total of the five largest accounts receivables	2,613,919	1,869	10.93%

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

From January to June 2023 and 2022, the Group has no accounts receivables derecognized due to transfer of financial assets.

(d) Provision for bad debts

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

(i) As at 30 June 2023, accounts receivables with amounts that the related provision for bad debts was set aside on an individual basis are analysed as follows:

Unit: RMB thousand

	Book balance	**Lifetime expected credit losses rate**	**Provision for bad debts**	**Reason**
Containers manufacturing	251,864	1.48%	3,725	Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	77,259	99.41%	76,803	
Airport facilities and logistics equipment, fire safety and rescue equipment	166,902	91.00%	151,883	
Logistics services	13,864	100.00%	13,864	
	509,889		246,275	

(ii) As at 30 June 2023, accounts receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed 1 – Containers manufacturing business:

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
		Lifetime expected credit losses			Lifetime expected credit losses	
	Amount	**rate**	**Amount**	Amount	rate	Amount
Not overdue	**4,740,012**	**0.01%**	**475**	3,620,587	0.02%	851
Overdue within 1 month	**159,614**	**0.21%**	**335**	284,149	0.23%	658
Overdue 1 to 3 months	**249,530**	**0.64%**	**1,594**	1,090,325	0.57%	6,223
Overdue 3 to 12 months	**541,054**	**2.30%**	**12,444**	683,708	2.28%	15,613
Overdue 1 to 2 years	**159,371**	**9.43%**	**15,032**	137,231	5.59%	7,671
Overdue 2 to 3 years	**66,622**	**16.22%**	**10,809**	–	–	–
	5,916,203		**40,689**	5,816,000		31,016

Collectively assessed 2 – Road transportation vehicles business:

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
		Lifetime expected credit losses			Lifetime expected credit losses	
	Amount	**rate**	**Amount**	Amount	rate	Amount
Not overdue	**3,345,450**	**2.01%**	**67,269**	2,246,529	2.29%	51,376
Overdue within 1 month	**329,847**	**5.16%**	**17,029**	338,498	5.09%	17,243
Overdue 1 to 3 months	**351,905**	**5.16%**	**18,168**	165,745	5.09%	8,442
Overdue 3 to 12 months	**258,870**	**5.16%**	**13,365**	307,093	5.09%	15,643
Overdue 1 to 2 years	**127,688**	**34.78%**	**44,410**	114,183	29.23%	33,377
Overdue 2 to 3 years	**17,811**	**76.05%**	**13,546**	8,506	82.45%	7,013
Overdue 3 to 5 years	**27,441**	**100.00%**	**27,441**	19,551	96.65%	18,896
Overdue for more than 5 years	**16,254**	**100.00%**	**16,254**	21,844	96.65%	21,112
	4,475,266		**217,482**	3,221,949		173,102

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

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
	Amount	**Lifetime expected credit losses rate**	**Amount**	Amount	Lifetime expected credit losses rate	Amount
Not overdue	**2,591,487**	**2.01%**	**52,019**	2,474,321	1.91%	47,184
Overdue within 1 month	**275,855**	**5.03%**	**13,876**	296,032	6.23%	18,430
Overdue 1 to 3 months	**118,224**	**5.03%**	**5,947**	146,035	6.23%	9,091
Overdue 3 to 12 months	**239,491**	**7.58%**	**18,148**	201,037	8.96%	18,017
Overdue 1 to 2 years	**52,739**	**28.16%**	**14,850**	67,118	29.72%	19,948
Overdue 2 to 3 years	**17,635**	**48.83%**	**8,611**	63,522	46.18%	29,337
Overdue 3 to 5 years	**50,973**	**81.05%**	**41,316**	15,164	89.69%	13,601
Overdue for more than 5 years	**25,680**	**100.00%**	**25,680**	32,987	100.00%	32,987
	3,372,084		**180,447**	3,296,216		188,595

Collectively assessed 4 – Offshore engineering business:

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
	Amount	**Lifetime expected credit losses rate**	**Amount**	Amount	Lifetime expected credit losses rate	Amount
Not overdue	**1,571,493**	**0.49%**	**7,737**	1,756,411	0.34%	5,971
Overdue within 1 month	**–**	**–**	**–**	–	–	–
Overdue 1 to 3 months	**–**	**–**	**–**	–	–	–
Overdue 3 to 12 months	**–**	**–**	**–**	–	–	–
Overdue 1 to 2 years	**–**	**–**	**–**	–	–	–
Overdue 2 to 3 years	**–**	**–**	**–**	19,714	75.15%	14,816
Overdue 3 to 5 years	**20,453**	**100.00%**	**20,453**	21,634	100.00%	21,634
Overdue for more than 5 years	**23,744**	**100.00%**	**23,744**	1,252	100.00%	1,252
	1,615,690		**51,934**	1,799,011		43,673

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

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
	Amount	**Lifetime expected credit losses rate**	**Amount**	Amount	Lifetime expected credit losses rate	Amount
Not overdue	**1,448,469**	**0.83%**	**12,080**	1,892,118	0.85%	16,076
Overdue within 1 month	**188,546**	**4.48%**	**8,444**	141,180	5.50%	7,761
Overdue 1 to 3 months	**125,697**	**4.48%**	**5,629**	112,457	5.50%	6,181
Overdue 3 to 12 months	**733,234**	**4.48%**	**32,836**	589,146	5.50%	32,386
Overdue 1 to 2 years	**273,304**	**16.76%**	**45,798**	244,551	16.78%	41,037
Overdue 2 to 3 years	**67,593**	**42.60%**	**28,795**	75,532	42.85%	32,369
Overdue for more than 3 years	**97,592**	**78.49%**	**76,596**	89,229	69.04%	61,600
	2,934,435		**210,178**	3,144,213		197,410

Collectively assessed 6 − Logistics services business:

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
	Amount	**Lifetime expected credit losses rate**	**Amount**	Amount	Lifetime expected credit losses rate	Amount
Not overdue	**2,079,309**	**0.77%**	**16,038**	1,913,596	1.02%	19,529
Overdue within 1 month	**243,184**	**2.72%**	**6,617**	322,281	1.78%	5,740
Overdue 1 to 3 months	**173,270**	**2.72%**	**4,715**	165,488	1.78%	2,947
Overdue 3 to 12 months	**214,834**	**2.72%**	**5,846**	200,478	1.78%	3,570
Overdue 1 to 2 years	**50,790**	**14.84%**	**7,535**	29,700	20.00%	5,940
Overdue 2 to 3 years	**7,608**	**90.31%**	**6,871**	11,085	80.00%	8,868
Overdue for more than 3 years	**15,570**	**100.00%**	**15,570**	13,689	100.00%	13,689
	2,784,565		**63,192**	2,656,317		60,283

Collectively assessed 7 – Recycled load business:

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
		Lifetime expected credit losses			Lifetime expected credit losses	
	Amount	**rate**	**Amount**	Amount	rate	Amount
Not overdue	**704,088**	**0.16%**	**1,126**	575,850	1.03%	5,950
Overdue within 1 month	**36,481**	**2.41%**	**879**	24,194	3.23%	781
Overdue 1 to 3 months	**57,312**	**2.41%**	**1,381**	65,772	3.72%	2,448
Overdue 3 to 12 months	**42,985**	**2.41%**	**1,036**	41,500	9.30%	3,858
Overdue 1 to 2 years	**4,026**	**30.00%**	**1,208**	5,578	64.31%	3,587
Overdue for more than 2 years	**3,603**	**100.00%**	**3,603**	1,020	100.00%	1,020
	848,495		**9,233**	713,914		17,644

Collectively assessed 8 – Other business:

	30 June 2023			31 December 2022		
	Book balance	**Provision for bad debts**		Book balance	Provision for bad debts	
		Lifetime expected credit losses			Lifetime expected credit losses	
	Amount	**rate**	**Amount**	Amount	rate	Amount
Not overdue	**1,260,135**	**0.02%**	**236**	1,736,200	0.05%	851
Overdue within 1 month	**122,987**	**1.19%**	**1,466**	212,922	1.03%	2,194
Overdue 1 to 3 months	**35,014**	**3.41%**	**1,195**	43,675	5.36%	2,341
Overdue 3 to 12 months	**36,473**	**5.12%**	**1,869**	47,846	8.13%	3,888
Overdue 1 to 2 years	**2,881**	**67.17%**	**1,935**	20,664	87.23%	18,024
Overdue for more than 2 years	**2,550**	**100.00%**	**2,550**	3,568	100.00%	3,568
	1,460,040		**9,251**	2,064,875		30,866

(e) The provision for bad debts in the current period amounted to RMB120,254,000 (for the period from 1 January to 30 June in 2022: RMB194,037,000). A provision for bad debts amounted to RMB76,224,000 has been collected or reversed (for the period from 1 January to 30 June in 2022: RMB54,995,000).

(f) The accounts receivables amounted to RMB18,401,000 was written off in the current period (for the period from 1 January to 30 June in 2022: RMB848,000), the provision for bad debts was amounted to RMB18,401,000 in the current period (for the period from 1 January to 30 June in 2022: RMB848,000).

(g) As at 30 June 2023, the Group has no accounts receivables (2022: Nil) pledged to the bank as a guarantee for short-term borrowings.

5. ACCOUNTS PAYABLES

Unit: RMB thousand

(1) Accounts payables are as follows:

	30 June 2023	31 December 2022
Due to raw material suppliers	**12,484,238**	12,528,639
Integrated logistics services charges	**2,125,168**	1,964,876
Equipment procurement charges	**1,253,409**	611,084
Project procurement charges	**256,855**	385,091
Transportation charges	**307,489**	203,689
Project contracts charges	**386,083**	154,616
Processing charges	**158,673**	153,146
Others	**397,537**	561,005
	17,369,452	16,562,146

(2) The aging analysis of accounts payables from the date of the initial recognition is as follows:

	30 June 2023	31 December 2022
Within 1 year (inclusive)	**15,805,787**	15,613,357
1 to 2 years (inclusive)	**766,192**	527,616
2 to 3 years (inclusive)	**549,767**	260,452
Over 3 years	**247,706**	160,721
	17,369,452	16,562,146

As at 30 June 2023, accounts payables over 1 year with a carrying amount of RMB1,563,665,000 (31 December 2022: 948,789,000) were mainly payables related to the offshore engineering business and energy and chemicals business of the Group. Since the production cycle of the offshore engineering business and the project cycle of the energy and chemicals business were usually more than one year, the payables have not yet been settled.

6. UNDISTRIBUTED PROFITS

Unit: RMB thousand

	Note	**For the period from 1 January to 30 June 2023**	2022
Undistributed profits at the beginning of the year		**31,597,541**	31,627,036
Add: net profit attributable to the shareholders and other equity holders of the Company for the current period		**398,556**	3,219,226
Less: equity attributable to holders of other equity instruments in current period		**(32,100)**	(55,435)
Less: Appropriation to surplus reserves		**–**	(712,658)
Less: ordinary share dividends payable	*(1)*	**(970,654)**	(2,480,628)
Undistributed profits at the end of the period		**30,993,343**	31,597,541

(1) Dividends of ordinary shares declared during the period

	For the period from 1 January to 30 June 2023	2022
Total proposed dividends in the current period	**970,654**	2,480,628

Approved by the shareholders' general meeting on 28 June 2023, the Company distributed cash dividends to ordinary shareholders on 18 August 2023, at RMB0.18 per share (2022: RMB0.69 per share), totaling RMB970,654,000 (2022: RMB2,480,628,000).

7. REVENUE AND COST OF SALES

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022
Revenue from main operations	**58,571,290**	71,029,541
Revenue from other operations	**2,002,678**	1,096,717
	60,573,968	72,126,258
Cost of sales from main operations	**50,909,223**	60,434,700
Cost of sales from other operations	**1,389,835**	764,094
	52,299,058	61,198,794

8. ASSET IMPAIRMENT LOSSES AND CREDIT IMPAIRMENT LOSSES

Unit: RMB thousand

(1) Asset impairment losses

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022
Impairment losses on construction in progress	**–**	2,179
Impairment losses/(reversal) on contract asset	**4,640**	(3,983)
Impairment losses on inventories and costs incurred to fulfil a contract	**95,686**	11,005
Impairment losses on goodwill	**–**	30,620
Impairment losses on fixed assets	**–**	23
Impairment losses on intangible assets	**–**	5,959
Losses on bad debts of advance to suppliers	**90**	–
	100,416	45,803

(2) Credit impairment losses

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022
Losses on/(reversal of) bad debts of long-term receivables (including current portion of non-current assets)	**1,392**	(19)
Losses on/(reversal of) bad debts of notes receivables	**993**	(799)
(Reversal of) bad debts of receivables financing	**(55)**	(586)
Losses on bad debts of account receivables	**44,030**	139,042
(Reversal of)/losses on bad debts of other receivables	**(366)**	8,355
(Reversal of) financial guarantee for vehicle loans	**(11,464)**	(12,708)
	34,530	133,285

9. NON-OPERATING INCOME

Non-operating income by categories is as follows:

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022	Amount recognised in non-recurring profit or loss during the period from 1 January to 30 June 2023
Compensation income	**23,652**	11,140	23,652
Unpayable payables	**10,432**	40,090	10,432
Penalty income	**7,090**	9,301	7,090
Others	**19,404**	20,189	19,404
	60,578	80,720	60,578

10. INCOME TAX EXPENSES

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022
Current income tax calculated based on tax law and related regulations	**713,693**	1,327,867
Deferred income tax	**(52,104)**	(63,855)
Total	**661,589**	1,264,012

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is set out as below:

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022
Total profit	**1,651,971**	4,498,100
Income tax calculated at applicable tax rates (25%)	**411,331**	1,124,525
Effect of using different tax rates for subsidiaries	**22,479**	206,513
Effect of tax incentive	**(32,792)**	(69,404)
Cost, expenses and losses not deductible	**33,973**	49,909
Other income not subject to tax	**(93,488)**	(91,001)
Utilisation of previously unrecognised deductible losses	**(33,240)**	(32,388)
Deductible losses for which no deferred tax asset was recognized	**305,665**	144,119
Deductible temporary differences for which no deferred tax asset was recognized	**67,516**	21,539
Utilisation of previously unrecognised deductible temporary differences	**(7,299)**	(82,492)
Effect of tax rate change on deferred tax differences	**–**	15
Tax refund for income tax annual filing	**(12,557)**	(7,323)
Income tax expenses	**661,589**	1,264,012

11. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY SHAREHOLDERS

During the Reporting Period, the Group's minority profit or loss recorded RMB591.826 million (same period in 2022: RMB695.576 million), representing a year-on-year decrease of 14.92%.

12. EARNINGS PER SHARE

(1) Basic earnings per share

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

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022 (Adjusted)
Consolidated net profit attributable to shareholders of the Company	**398,556**	2,538,512
Less: Equity attributable to holders of other equity instruments	**(32,100)**	(23,335)
Consolidated net profit attributable to ordinary shareholders of the Company	**366,456**	2,515,177
Weighted average number of ordinary shares outstanding of the Company *('000) (i)*	**5,392,521**	5,392,521
Basic earnings per share *(RMB/share)*	**0.07**	0.47
Including: Going concern basic earnings per share	**0.05**	0.49
Termination concern basic earnings per share	**0.02**	(0.02)

(2) Diluted earnings per share

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

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022 (Adjusted)
Consolidated net profit attributable to shareholders of the Company	**398,556**	2,538,512
Impact of the issuing of the perpetual bonds by the Company	**(32,100)**	(23,335)
Impact of share-based payments by subsidiaries of the Group	**13,710**	(37,017)
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company	**380,166**	2,478,160
Weighted average number of ordinary shares outstanding of the Company (diluted) *('000)* (adjusted)	**5,392,521**	5,392,521
Diluted earnings per share *(RMB/share)*	**0.07**	0.46

13. DIVIDENDS

The Directors did not propose to declare the interim dividend for the six months ended 30 June 2023 (the corresponding period in 2022: Nil).

14. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, eight reportable segments are identified by the Group, including: container manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport facilities and logistics equipment, fire safety and rescue equipment, 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.

Segment profits, losses, assets and liabilities

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

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

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

Segment information from 1 January to 30 June 2023 is as follows:

Unit: RMB thousand

Items	Containers manufacturing 1 January to 30 June 2023	Road transportation vehicles 1 January to 30 June 2023	Energy, chemical and liquid food equipment 1 January to 30 June 2023	Offshore engineering 1 January to 30 June 2023	Airport facilities and logistics equipment, fire safety and rescue equipment 1 January to 30 June 2023	Logistics services 1 January to 30 June 2023	Finance and asset management 1 January to 30 June 2023	Recycled load 1 January to 30 June 2023	Others 1 January to 30 June 2023	Elimination between segments and unallocated amounts 1 January to 30 June 2023	Total 1 January to 30 June 2023
External transaction	13,152,034	12,961,673	11,350,133	4,010,160	2,266,977	8,989,333	801,913	1,420,965	5,707,290	(86,510)	60,573,968
Inter segment transaction	515,673	507,957	37,954	109,280	15,108	142,642	125	7,348	298,057	(1,634,144)	-
Cost of sales	11,411,358	10,864,684	9,573,533	3,790,182	1,782,111	8,513,762	967,521	1,251,545	5,747,222	(1,602,860)	52,299,058
Investment income/(loss) in associates and joint ventures	302	11,089	15,474	(7,942)	4,489	29,968	-	662	82,632	-	136,674
Asset and credit impairment loss	(23,044)	93,750	41,335	(810)	22,999	4,283	(27)	830	(4,826)	456	134,946
Depreciation and amortisation expenses	360,761	300,715	458,708	169,516	67,672	81,896	536,788	191,232	67,123	(166,067)	2,068,344
Interest income	138,750	52,195	44,121	8,336	3,612	6,126	109,864	4,871	1,135,120	(1,356,954)	146,041
Interest expenses	11,383	19,399	45,340	205,468	42,889	21,918	995,364	7,614	905,771	(1,357,940)	897,206
Total profit/(loss)	834,096	2,486,773	601,215	(181,747)	28,040	75,899	(1,088,161)	(20,042)	125,881	(1,209,983)	1,651,971
Income tax expenses	66,568	594,830	165,804	406	20,158	21,361	36,834	8,372	(287,378)	34,634	661,589
Net profit/(loss)	767,528	1,891,943	435,411	(182,153)	7,882	54,538	(1,124,995)	(28,414)	413,259	(1,244,617)	990,382
Segment total assets	29,114,785	25,096,617	24,243,645	17,062,392	9,477,785	6,989,447	37,363,109	3,586,648	69,777,996	(68,660,243)	154,052,181
Segment total liabilities	12,482,433	10,358,737	14,714,443	19,806,026	6,292,483	4,085,582	42,720,348	1,558,276	47,646,104	(68,030,254)	91,634,178
Supplementary information:											
– Other non-cash (income)/expenses other than depreciation and amortisation	133,167	74,356	51,945	96,771	39,425	26,153	(29,168)	(780)	(44,967)	223,476	570,378
– Long-term equity investment of associates and joint ventures	651,758	110,852	269,005	482,984	4,926	553,067	60,489	4,126	9,657,632	-	11,794,839
– Amount of additions to other non-current assets other than long-term equity investment, financial assets and deferred tax assets	597,348	304,754	573,522	182,804	70,544	142,467	80	318,123	1,469,361	(116,752)	3,542,251

Segment information from 1 January to 30 June 2022 is as follows:

Unit: RMB thousand

Items	Containers manufacturing Period from 1 January to 30 June 2022	Road transportation vehicles Period from 1 January to 30 June 2022	Energy, chemical and liquid food equipment Period from 1 January to 30 June 2022	Offshore engineering Period from 1 January to 30 June 2022	Airport facilities and logistics equipment, fire safety and rescue equipment Period from 1 January to 30 June 2022	Logistics services Period from 1 January to 30 June 2022	Finance and asset management Period from 1 January to 30 June 2022	Recycled load Period from 1 January to 30 June 2022	Others Period from 1 January to 30 June 2022	Elimination between segments and unallocated amounts Period from 1 January to 30 June 2022	Total Period from 1 January to 30 June 2022
External transaction	21,814,601	11,064,773	9,513,543	2,542,857	2,579,318	17,207,679	1,067,551	3,381,785	2,998,765	(44,614)	72,126,258
Inter segment transaction	953,364	131,069	80,903	25,241	8,767	71,023	82,094	11,049	728,028	(2,091,538)	-
Cost of sales	17,481,885	9,944,943	8,048,463	2,279,715	2,031,240	16,255,009	941,691	2,776,259	3,424,416	(1,984,827)	61,198,794
Investment income/(loss) in associates and joint ventures	18,113	(1,944)	(375)	(4,856)	4,471	18,904	-	134	(68,027)	-	(33,580)
Asset and credit impairment loss	(18,331)	18,079	54,340	23	39,682	21,640	17	1,187	61,794	657	179,088
Depreciation and amortisation expenses	271,435	280,293	229,624	355,196	71,644	89,417	422,179	124,582	92,266	(74,799)	1,861,837
Interest income	121,074	34,617	6,930	4,616	2,044	7,008	131,340	6,861	508,778	(673,157)	150,111
Interest expenses	8,709	22,050	32,793	384,244	24,784	33,197	162,734	8,360	501,093	(615,751)	562,213
Total profit/(loss)	3,825,695	455,974	542,630	(236,975)	31,529	427,601	79,466	360,191	1,019,545	(2,007,556)	4,498,100
Income tax expenses	772,314	85,669	74,332	3,883	14,586	127,338	74,808	56,176	5,758	49,148	1,264,012
Net profit/(loss)	3,053,381	370,305	468,297	(240,857)	16,943	300,263	4,658	304,015	1,013,787	(2,056,704)	3,234,088
Segment total assets	31,944,921	22,115,799	21,347,428	40,586,440	9,113,580	9,486,036	40,390,574	4,347,416	55,706,179	(76,687,744)	158,350,629
Segment total liabilities	14,787,438	9,811,377	12,762,702	42,935,124	6,107,788	6,482,665	43,444,420	2,026,858	47,321,351	(88,008,477)	97,671,246
Supplementary information:											
– Other non-cash (income)/expenses other than depreciation and amortisation	304,476	69,840	50,439	(6,253)	124,970	(31,692)	(73,640)	12,553	(93,002)	133,367	491,058
– Long-term equity investment of associates and joint ventures	679,642	45,136	179,369	379,312	40,509	475,339	53,966	2,930	8,262,105	-	10,118,308
– Amount of additions to non- current assets other than long-term equity investment, financial assets and deferred tax assets	962,727	373,132	1,410,068	680,563	18,451	154,089	15,549	439,618	211,521	(1,292,065)	2,973,653

15. RESTRICTED ASSETS OF THE GROUP AS AT 30 JUNE 2023

Unit: RMB thousand

As at 30 June 2023, assets with restrictions in their ownership are as follows:

	Closing book value	Reasons for restrictions
Cash at bank and on hand	1,067,975	Margin and statutory reserves deposited to the central bank
Intangible assets	35,271	No transfer without permission from the government
Receivable financing	6,100	Pledge
Notes receivables	63,307	Pledge
Total	1,172,653	

16. CONTINGENCIES

1. Guarantees provided for external parties

CIMC Vehicles, a subsidiary of the Group, signed contracts with China Merchants Bank, SPD Bank, Huishang Bank and Industrial Bank, for the buyer credit business and loan guarantees, to provide guarantees for the facilities of vehicle purchase offered by such banks to distributors and customers of the Group and its subsidiaries. As at 30 June 2023, the aggregate amount of credit facilities in respect of which the Group and its subsidiaries provided guarantees to the distributors and customers was RMB830,626,000 (31 December 2022: RMB1,352,756,000). The Group does not expect that the credit risk of the above guarantees has significantly increased since initial recognition, thus measuring the allowance for those commitments at an amount equal to 12-month expected credit losses (note IV. 37).

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd., cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank in mortgage credit cooperation and signed a property loan guarantee contract, providing phased guarantees for the loans that the customers of the company obtained from the relevant banks for purchasing properties. As at 30 June 2023, the aggregate customer financing loans for which Shaanxi Vehicles Industrial Park provided guarantees, were approximately RMB7,905,000 (31 December 2022: RMB9,015,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company entered into a guarantee agreement with the relevant banks to provide guarantee for the loans of CIMC Industry & City and its subsidiaries. As at 30 June 2023, the amount for which the Company provided guarantees was RMB263,700,000 (31 December 2022: RMB282,851,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

A controlling subsidiary of CIMC Enric, a subsidiary of the Group, signed contracts with China Everbright Bank to provide guarantees for the facilities offered by such banks to Yichuan Tianyun Clean Energy Co., Ltd. (宜川縣天韻清潔能源有限公司). As at 30 June 2023, the aggregate amount of credit facilities in respect of which a subsidiary of CIMC Enric provided guarantees was approximately RMB58,099,000 (31 December 2022: RMB34,051,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company and its subsidiaries entered into guarantee agreements with the relevant banks to provide guarantee for the financing business of CIMC Financial Leasing and its subsidiaries. As at 30 June 2023, the amount for which the Company and its subsidiaries provided guarantees was RMB1,639,220,000 (31 December 2022: RMB1,574,226,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company and its subsidiaries entered into guarantee agreements with the relevant banks to provide guarantee for the financing business of C&C Trucks and its subsidiaries. As at 30 June 2023, the amount for which the Company and its subsidiaries provided guarantees was RMB424,604,000. The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

2. Notes payables issued but not accounted for, outstanding letters of credit issued and outstanding performance guarantees issued

The Group does not recognise letter of credit issued as deposits. As at 30 June 2023, the Group had issued outstanding letters of credit RMB594,875,000 (31 December 2022: RMB35,887,000).

As at 30 June 2023, the Company had outstanding balance of bank guarantees issued for subsidiaries of the Group of RMB713,881,000, USD1,037,744,000 (equivalent to RMB7,498,529,000), GBP1,890,000 (equivalent to RMB17,281,000), EUR30,201,000 (equivalent to RMB237,894,000) and PLN136,780,000 (equivalent to RMB242,247,000), respectively, totaling RMB8,709,832,000 (31 December 2022: RMB4,728,316,000).

As at 30 June 2023, the outstanding balance of guarantees of the Group's subsidiary issued by the bank was RMB6,564,954,000, mainly including the balance of advance payment guarantees of RMB3,879,253,000, the balance of quality guarantees (including foreign guarantees) of RMB186,771,000, the balance of other non-financing guarantees of RMB548,102,000 and the balance of performance guarantees of RMB1,950,828,000 (31 December 2022: RMB2,603,264,000).

17. COMMITMENTS

1. Capital expenditure commitments

(1) The Group's capital expenditure commitments contracted for but not yet necessary to be recognised on the balance sheet are as follows:

Unit: RMB thousand

	For the period from 1 January to 30 June 2023	2022
Fixed assets purchase and construction contracts	**89,663**	131,846
	89,663	131,846

18. 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 accounting standards, 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		Diluted earnings per share	
	For the period from 1 January to 30 June 2023	For the period from 1 January to 30 June 2022	**For the period from 1 January to 30 June 2023**	For the period from 1 January to 30 June 2022 (Adjusted)	**For the period from 1 January to 30 June 2023**	For the period from 1 January to 30 June 2022 (Adjusted)
Net profit attributable to ordinary shareholders of the Company	**0.79%**	5.44%	**0.07**	0.47	**0.07**	0.46
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	**2.03%**	5.78%	**0.18**	0.74	**0.18**	0.73

19. EVENTS AFTER THE BALANCE SHEET DATE

1. On 27 July 2023, according to the Approval on the Consent to the Registration of the Initial Public Offering of Shares of CIMC Safeway Technologies Co., Ltd. published by the CSRC, the CSRC approved the application for registration of the initial public offering of shares of CIMC Safeway Technologies Co., Ltd. on the ChiNext Market of the SZSE. CIMC Safeway Technologies Co., Ltd. will carry out subsequent work in accordance with the relevant regulations and requirements of the CSRC and the SZSE.

2. On 15 August 2023, the Company has completed the issuance of the fourth tranche of super & short-term commercial papers for 2023 (technology innovation instrument). The proceeds were fully received on 16 August 2023. The issuance amount was RMB1.5 billion and the issue rate was 2.06% per annum.

By order of the Board
China International Marine Containers (Group) Co., Ltd.
WU Sanqiang
Joint Company Secretary

Hong Kong, 29 August 2023

As at the date of this announcement, the Board comprises Mr. MAI Boliang (Chairman) as an executive Director; Mr. ZHU Zhiqiang (Vice-chairman), Mr. HU Xianfu (Vice-chairman), Mr. SUN Huirong and Mr. DENG Weidong as non-executive Directors; and Mr. YANG Xiong, Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel as independent non-executive Directors.

* *For identification purposes only*