

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 02039)**

**(A Share Stock Code: 000039)**

## **RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024 (SUMMARY OF THE 2024 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 2024 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 2024 (the “**2024 Interim Report**”). The Announcement is extracted from the 2024 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 2024 Interim Report will be posted on the above websites in due course.
- 1.2** The 2024 Interim Report and the Announcement have been considered and approved at the eleventh meeting of the tenth session of the Board in 2024. Mr. HU Xianfu (Vice-chairman) authorized Mr. DENG Weidong (Director) 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**”). The 2024 interim financial statements of the Group and notes thereto (the “**2024 Interim Financial Report**”) have not been audited. The reporting period (the “**Reporting Period**”) refers to the six months starting from 1 January 2024 and ended on 30 June 2024.
- 1.4** Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board, Mr. ZENG Han, a vice president and the Chief Financial Officer (CFO), person-in-charge of accounting affairs, and Ms. XU Zhaoying, the general manager of financial department, the head of accounting department, hereby warrant the truthfulness, accuracy and completeness of the 2024 Interim Financial Report in the 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 2024 (six months ended 30 June 2023: 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**

*Unit: RMB thousand*

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

Unit: RMB thousand

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

Unit: RMB thousand

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

## 2.2 Key Financial Indicators

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

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

**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 ( <i>shares</i> ) | 5,392,520,385 |
| Dividends paid for preferred shares   | –             |
| Provision for interests on perpetual bonds ( <i>RMB thousand</i> )  | 47,545        |
| Fully-diluted earnings per share based on the latest share capital ( <i>RMB/share</i> ) ( <i>Note</i> )         | 0.15          |

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

**2.3 Non-Recurring Profit or Loss Items and Amounts**

*Unit: RMB thousand*

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

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

### 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, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services. The multi-dimensional industry cluster of the Group aims to provide the logistics and energy industries with high quality and reliable equipment and services, provide the shareholders and employees of the Company with good returns and create sustainable values for the society.

According to the latest 2024/25 Container Equipment Survey and Leasing Market Annual Report issued by Drewry, an industry authoritative analyst, the Group is ranked No. 1 in the world in terms of production volume of standard dry containers, reefer containers and special-purpose containers. According to the 2024 Global Tank Container Fleet Survey issued by the International Tank Container Organisation, the production volume of tank containers of the Group ranked No. 1 in the world. According to the 2023 Global OEM Ranking List published by the Global Trailer, CIMC Vehicles (Group) Co., Ltd. (“**CIMC Vehicles**”) was the world’s No. 1 semi-trailer manufacturer. CIMC-TianDa Holdings Company Limited (“**CIMC TianDa**”, a subsidiary of the Group) is one of the major suppliers of boarding bridges in the world, and the Group is also one of the high-end offshore engineering equipment enterprises in China.

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

### 3.1 Overview

During the Reporting Period, the Group's revenue amounted to RMB79,115.043 million (same period in 2023: RMB60,573.968 million), representing a year-on-year increase of 30.61%. During the Reporting Period, the Group's net profit attributable to shareholders and other equity holders of the Company amounted to RMB865.781 million (same period in 2023: RMB398.556 million), representing a year-on-year increase of 117.23%. During the Reporting Period, the products and businesses contributing 10% or more to the Group's revenue included container manufacturing business, road transportation vehicles business and energy/chemical/liquid food equipment business and logistics services business.

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

*Unit: RMB thousand*

| Indicators for January - June 2024   | Revenue           | % of revenue   | Year-on-year change in revenue | Cost of sales     | % of cost of sales | Year-on-year change in cost of sales | Gross profit     | Gross profit margin | Year-on-year change in gross profit margin |
|--|-------------------|----------------|--------------------------------|-------------------|--------------------|--------------------------------------|------------------|---------------------|--|
| <b>By industry/product</b>   |                   |                |                                |                   |                    |                                      |                  |                     |  |
| Containers manufacturing   | 24,949,526        | 31.54%         | 82.54%                         | 21,906,849        | 31.02%             | 91.73%                               | 3,042,677        | 12.20%              | (4.21%)                                    |
| Road transportation vehicles   | 10,699,669        | 13.52%         | (20.56%)                       | 9,104,651         | 12.89%             | (16.78%)                             | 1,595,018        | 14.91%              | (3.87%)                                    |
| Energy, chemical and liquid food equipment                                   | 12,120,855        | 15.32%         | 6.43%                          | 10,520,215        | 14.90%             | 9.81%                                | 1,600,640        | 13.21%              | (2.66%)                                    |
| Offshore engineering   | 7,783,714         | 9.84%          | 88.95%                         | 7,395,139         | 10.47%             | 95.11%                               | 388,575          | 4.99%               | (3.00%)                                    |
| Airport facilities and logistics equipment, fire safety and rescue equipment | 2,403,160         | 3.04%          | 5.31%                          | 1,909,446         | 2.70%              | 6.25%                                | 493,714          | 20.54%              | (0.71%)                                    |
| Logistics services   | 14,088,831        | 17.81%         | 54.28%                         | 13,211,699        | 18.71%             | 55.18%                               | 877,132          | 6.23%               | (0.54%)                                    |
| Recycled load  | 1,197,145         | 1.51%          | (16.18%)                       | 1,052,918         | 1.49%              | (15.95%)                             | 144,227          | 12.05%              | (0.24%)                                    |
| Finance and asset management   | 1,155,755         | 1.46%          | 44.10%                         | 1,053,340         | 1.49%              | 8.87%                                | 102,415          | 8.86%               | 29.49%                                     |
| Others   | 5,904,761         | 7.46%          | (1.67%)                        | 5,439,810         | 7.70%              | (5.38%)                              | 464,951          | 7.87%               | 3.60%                                      |
| Combined offset  | (1,188,373)       | (1.50%)        | (30.93%)                       | (965,251)         | (1.37%)            | (39.85%)                             | (223,122)        | 18.78%              | 12.05%                                     |
| <b>Total</b>   | <b>79,115,043</b> | <b>100.00%</b> | <b>30.61%</b>                  | <b>70,628,816</b> | <b>100.00%</b>     | <b>34.76%</b>                        | <b>8,486,227</b> | <b>10.73%</b>       | <b>(2.74%)</b>                             |
| <b>By region (by geographical locations of customers)</b>                    |                   |                |                                |                   |                    |                                      |                  |                     |  |
| China  | 36,035,876        | 45.55%         | 15.28%                         | -                 | -                  | -                                    | -                | -                   | -  |
| America  | 15,848,281        | 20.03%         | 30.28%                         | -                 | -                  | -                                    | -                | -                   | -  |
| Europe   | 11,675,823        | 14.76%         | 37.25%                         | -                 | -                  | -                                    | -                | -                   | -  |
| Asia (excluding China)   | 13,137,752        | 16.61%         | 92.21%                         | -                 | -                  | -                                    | -                | -                   | -  |
| Others   | 2,417,311         | 3.05%          | 33.75%                         | -                 | -                  | -                                    | -                | -                   | -  |
| <b>Total</b>   | <b>79,115,043</b> | <b>100.00%</b> | <b>30.61%</b>                  | <b>-</b>          | <b>-</b>           | <b>-</b>                             | <b>-</b>         | <b>-</b>            | <b>-</b>                                   |

## 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 2024.

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

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

## ***Expand the road transportation vehicles business***

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

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

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

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

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



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

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

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

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

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

## ***Leveraging the logistics services business***

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

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

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

During the Reporting Period, the Group’s logistics services business refined and reinforced its multimodal transport products, improved the quality of its services for major customers in the industry, built up its overseas service capabilities in an orderly manner, enhanced quality and efficiency with the aid of a “digital intelligence” hub, and mitigated risks with the help of digitalised risk control, thereby making progress in the midst of steady business development and fostering stability by making progress. In respect of sea transportation, the integrated layout of routes and cargo bookings demonstrated large-scale effect, and the cooperation with airlines showed a good trend of continuous increase in breadth and depth. In the first half of the year, the sea transportation business performed well due to the multiple measures and proactive responses, ranking CIMC Wetrans as top 13 on the list of the 2024 Top 50 Ocean Freight Forwarders issued by Transport Topic, an authoritative magazine in the global logistics industry, and the third place among Chinese enterprises. In respect of railway transportation, a two-way logistics corridors in Central Asia has been laid out, marked by the debut of the “Bayannur-Tianjin” rail-sea freight. This “sunflower seed freight” opened up a new logistics channel for the direct transport of sunflower seeds from Inner Mongolia to countries around the world. In respect of air transportation, two new chartered flight routes have been opened up and the internal operation strategy has been improved to contribute to the year-on-year increase in trading volume and prices. In respect of the specialised logistics business, the dual circulations of import and export of the cold-chain business ranked among top three among Shenzhen counterparts in terms of export volume in the Southern China region. For yard and value-added service business, the Group enhanced its unified marketing efforts, rationalised the deployment of yard resources and continuously strengthened the adhesion of its cooperation with shipping companies in order to cope with the complicated and changing market environment. At the same time, CIMC Wetrans implemented cost reduction and efficiency enhancement measures in all aspects of its business; as a result, both capital efficiency and manpower efficiency have improved year-on-year to some extent.

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

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

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

## **(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.

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

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

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

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

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

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

The Group is engaged in the offshore engineering business mainly through Yantai CIMC Raffles Marine Technology Group Co., Ltd. (the “**Marine Technology Group**”), in which the Group indirectly held approximately 80.04% equity interests as at 30 June 2024. The offshore engineering business is operated under an integrated operating model covering design, procurement, manufacturing, construction, commission and operation and provides mass and industrialised construction of high-end offshore engineering equipment and other special vessels, making it one of the leading contractors of high-end offshore engineering equipment in China. Its major businesses include manufacture of oil and gas equipment with a focus on FPSO (Floating Production Storage and Offloading), construction of offshore wind power equipment with a focus on wind power installation vessels and booster stations and operation and maintenance of wind farms, and manufacture of special vessels, etc.

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

In terms of new orders: the value of effective orders/orders won increased by 20% year-on-year to USD1,790 million (same period in 2023: USD1,490 million) as of the end of June, including two FPSO and three ro-ro ships. The accumulated value of orders on hand increased by 20.9% to US\$6,180 million (same period in 2023: US\$5,110 million), of which the proportion of oil and gas business, wind power installation vessels and ro-ro ships was approximately 2:1:1, which had effectively eased the periodic fluctuation of the oil and gas market, demonstrating that successful strategic transformation had been achieved.

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

### ***(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 existing offshore engineering platforms and internal capital utilisation, and providing diversified financial service measures for the Group's strategic expansion, business model innovation, industrial structure optimisation and overall competitiveness enhancement. The main operating entities are CIMC Finance Co., Ltd. ("**CIMC Finance Company**") and Offshore Engineering Asset Management Platform Company.

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

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

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

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

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

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



#### ***(IV) Innovative Businesses that highlight the advantage of CIMC***

##### ***Cold Chain Business***

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

##### ***Energy Storage Technology***

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

## ***Modular Building Business***

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

## **(V) *Capital Operations***

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

### **3.3 Future Development and Prospects of the Company**

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

#### ***3.3.1 Industrial Analysis and Corporate Operating Strategy of Major Business Segments***

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

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

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

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

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

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

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

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

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

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

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

### **Logistics Services Business**

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

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

### **Recycled Load Business**

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

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

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

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

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

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

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

## Offshore Engineering Business

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

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

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

#### **CIMC Finance Company**

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

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

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

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



### **3.3.2 Major Risk Factors in the Future Development of the Group**

In the second half of 2024, 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.
- **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 decreasing demographic dividend, China's manufacturing industries see constantly soaring labour costs, and automation represented by robots is becoming one of the key directions for future upgrade of the traditional manufacturing industries. In addition, China has been attaching increasing attention on environmental protection and carrying out sustainable development strategies, strengthening environmental protection requirements for China's traditional manufacturing industries.
- **Risks of fluctuations in price of main raw materials:** raw materials account for a relatively high proportion of the cost structure of the Group's products. At the same time, the Group's major finished products are metal products and its raw materials include steel, aluminium and timber. Since this year, the Federal Reserve has shown no signs of pausing rate hike which leads to tight commodity inventory. Meanwhile, the global economy presents a trend of regional differentiation, and supply and demand and price will also become complicated and volatile, which bring uncertainties to the Group's operating result.

**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 2024 interim financial statements prepared by the Group in accordance with CASBE. The following discussion and analysis should be read together with the 2024 interim financial statements and their notes set forth in other chapters of the Announcement.

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

*Unit: RMB thousand*

|                         | <b>January to<br/>June<br/>2024<br/>(unaudited)</b> | <b>January to<br/>June<br/>2023<br/>(unaudited)</b> | <b>Change (%)</b> | <b>Reason for change</b>   |
|-------------------------|---|---|-------------------|--|
| Revenue                 | 79,115,043  | 60,573,968  | 30.61%            | For details of the reason for change, please refer to “3.2 Review of the Principal Businesses during the Reporting Period” in this announcement.                             |
| Cost of sales           | 70,628,816  | 52,412,425  | 34.76%            | For details of the reason for change, please refer to “Revenue, Gross Profit and Gross Profit Margin Analysis by Segment and Region” of “3.1 Overview” in this announcement. |
| Financial expenses      | 522,940   | 130,985   | 299.24%           | Mainly due to the considerable net exchange gains during the same period last year.  |
| Asset impairment losses | 25,972  | 100,416   | (74.14%)          | Mainly due to the larger impairment losses on inventories provided for the same period last year.  |
| Investment income       | 126,134   | 74,084  | 70.26%            | Mainly due to the year-on-year decrease in investment losses on disposal of derivative financial instruments during the period.  |
| Fair value losses       | (249,762)   | (1,125,670)   | 77.81%            | Mainly due to the year-on-year decrease in fair value losses on derivative financial instruments during the period.  |

## Significant changes in assets and liabilities

*Unit: RMB thousand*

| Item  | At the end of the Reporting Period |                   | At the end of the previous year |                   | Change (%) | Description of material changes  |
|---|------------------------------------|-------------------|---------------------------------|-------------------|------------|--|
|   | Amount                             | % of total assets | Amount                          | % of total assets |            |  |
| Financial assets held for trading           | 2,488,911                          | 1.39%             | 337,756                         | 0.21%             | 636.90%    | Mainly due to the purchase of wealth management products by the Group headquarters during the period.  |
| Derivative financial assets                 | 50,499                             | 0.03%             | 301,355                         | 0.19%             | (83.24%)   | Mainly due to the change in fair value of derivative financial instruments during the period.  |
| Accounts receivables                        | 32,134,964                         | 17.94%            | 22,949,473                      | 14.19%            | 40.02%     | Mainly due to the increase in the revenue scale of the Group during the period.  |
| Derivative financial liabilities            | 86,056                             | 0.05%             | 1,696,118                       | 1.05%             | (94.93%)   | Mainly due to the change in fair value of derivative financial instruments during the period.  |
| Other payables                              | 8,384,926                          | 4.68%             | 6,380,675                       | 3.94%             | 31.41%     | Mainly due to the amount payables for making up for shortfall in relation to the transfer of the equity interests in the Company's subsidiary during the Reporting Period. For details, please refer to "5.2 Other significant events of subsidiaries during the Reporting Period" of "5 Significant Events During and Subsequent to the Reporting Period" in this announcement. |
| Non-current liabilities due within one year | 5,906,993                          | 3.30%             | 9,675,619                       | 5.98%             | (38.95%)   | Mainly due to more long-term borrowings due within one year repaid by the Group during the period.   |
| Long-term borrowings                        | 19,851,116                         | 11.08%            | 13,523,455                      | 8.36%             | 46.79%     | Mainly due to the new external borrowings of the Group headquarters during the period.   |
| Debentures payable                          | 4,023,871                          | 2.25%             | 1,960,454                       | 1.21%             | 105.25%    | Mainly due to the issuance of medium-term notes by the Group and its subsidiaries during the period.   |

| Item                     | At the end of the Reporting Period |                   | At the end of the previous year |                   | Change (%) | Description of material changes   |
|--------------------------|------------------------------------|-------------------|---------------------------------|-------------------|------------|---|
|                          | Amount                             | % of total assets | Amount                          | % of total assets |            |   |
| Receivables financing    | 682,519                            | 0.38%             | 1,062,258                       | 0.66%             | (35.75%)   | Mainly due to the decrease in bank acceptance bills classified as receivables financing during the period.                      |
| Long-term payables       | 98,567                             | 0.06%             | 188,987                         | 0.12%             | (47.84%)   | Mainly due to the special payables for plant demolition which were reclassified as other current liabilities during the period. |
| Other equity instruments | 4,033,119                          | 2.25%             | 2,049,774                       | 1.27%             | 96.76%     | Mainly due to the issuance of perpetual bonds by the Group during the period.   |

### Liquidity and capital source

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2024, the Group's cash at bank and on hand amounted to RMB21,777.817 million (31 December 2023: RMB21,324.451 million), representing an increase of 2.13% as compared with the end of the previous year. The Group's development funds primarily consist of cash derived from operation, bank loan and other borrowings. The Group's cash demands mainly come from production and operation, repayment of matured liability, capital expenditure, payment of interests and dividends, and other unexpected cash demands. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate amount of cash on hand to repay the bank loans due and ensure the development of our businesses.

During the Reporting Period, the Group recorded net cash flows used in operating activities of RMB(1,446.907) million (same period in 2023: RMB(2,008.282) million), net cash flows used in investing activities of RMB(3,694.391) million (same period in 2023: RMB(4,072.863) million) and net cash flows from financing activities of RMB6,538.194 million (same period in 2023: RMB6,904.668 million). As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB21,742.209 million (same period in 2023: RMB17,042.395 million) and the main currencies were RMB and US dollar.

## Bank loans and other borrowings

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

*Unit: RMB thousand*

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

The Group's bank borrowings are mainly denominated in US dollars, with the interest payments computed using fixed rates and floating rates. As at 30 June 2024, the Group's long-term interest-bearing debts were mainly USD-denominated contracts with floating rate linked to SOFR amounting to USD1,450.580 million (31 December 2023: USD1,885.580 million). The interest rate range of the Group's short-term borrowings is 1.00% to 6.44% (31 December 2023: 1.20% to 7.20%), and the interest rate range of long-term borrowings is 1.20% to 7.20% (31 December 2023: 1.20% to 7.08%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB18,138.039 million (31 December 2023: approximately RMB14,432.784 million). The long-term borrowings are mainly matured within five years. There is no seasonal feature in respect of the Group's need for borrowing, which is mainly based on the Group's capital and business needs.

The Group's issued debentures are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 30 June 2024, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB4,524.954 million (31 December 2023: RMB1,960.454 million), with maturity dates mainly spreading over one to five years.

## Other Equity Instruments

As at 30 June 2024, the Group's other equity instruments amounted to RMB4,033.119 million (31 December 2023: RMB2,049.774 million), representing an increase of 96.76% as compared with the end of the previous year, mainly due to the Group's issuance of perpetual bonds during the period.

## Capital structure

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

As at the end of the Reporting Period, the Group's gearing ratio was 63% (31 December 2023: 60%). The Group is committed to maintaining an appropriate combination of equity and debt in order to maintain an effective capital structure and provide maximum returns for shareholders of the Company. (Calculation of the gearing ratio: based on the Group's total liabilities divided by our total assets as at the end of the Reporting Period.)

## 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 in the future may be different from the current rates, 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 RMB205.799 million, investment losses were RMB69.914 million, which were RMB275.713 million in total. In particular, during the Reporting Period, the Group recorded net losses of RMB279.597 million from foreign exchange related derivatives investment activities, which constituted most of the total losses from derivative financial instruments; meanwhile, net exchange gains of RMB379.838 million were recorded during the current period. The net gain on gains or losses from derivative financial instruments and foreign exchange gains or losses arising from the aforementioned hedging amounted to RMB100.241 million.

The foreign exchange derivatives hedging business of the Group has followed the risk-neutral and hedging value-preserving principles. All the foreign exchange derivatives trading activities were for the purpose of hedging against interest rate risk to smooth the uncertainty caused by changes in exchange rates on the Company's operations. As RMB depreciated 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.

## **Pledge of assets**

As at 30 June 2024, the restricted assets of the Group totally amounted to RMB1,557.735 million (31 December 2023: RMB2,174.083 million). For details, please refer to note (15) of “6 2024 Interim Financial Report” in the Announcement.

## **Capital commitments**

As at 30 June 2024, the Group had capital expenditure commitments of approximately RMB581.744 million (31 December 2023: approximately RMB74.375 million), representing an increase of 682.18% as compared with the end of the previous year, which was mainly used for fixed assets purchase contracts. For details, please refer to note (17)(a) of “6 2024 Interim Financial Report” in the Announcement.

## **Contingent liability**

For details, please refer to note (16) of “6 2024 Interim Financial Report” in the Announcement.

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

During the Reporting Period, the Group did not have any major acquisitions or disposals relating to subsidiaries, associated companies and joint ventures or significant investment accounting for 5% or more of the total assets of the Company as at the end of the period.

## **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 RMB1.6 billion, and it is expected to incur capital expenditure of approximately RMB5.96 billion in the second half of the year. The capital expenditure is mainly used in the acquisition of equities and purchase of fixed assets, intangible assets and other long-term assets, etc. The Group will continue to consider various types of financing arrangements.

## **Employees and remuneration policies**

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

The Group provides salary and bonus payment to its employees based on their performance, position value, qualification, experience and market conditions to motivate our employees. Other benefits include social insurance required by the Chinese government. The Group regularly reviews its remuneration policies, including directors' remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and the market conditions.

### **Employee training programme**

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

### **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 in the secondary market or transferring A shares repurchased by the Company is to be implemented, which does not involve the issuance of any new Shares of the Company; 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 and there were no shares available for issue or treasury shares involved.



## Dividend distribution

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

## PURCHASE, SALE AND REDEMPTION OF SHARES

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

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

## **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 C3 of the Hong Kong Listing Rules as the code of conduct in dealing in securities of the Company by Directors and Supervisors. After inquiries to all the Directors and Supervisors, they confirmed that they had fully complied with the required standards in the Model Code during the Reporting Period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board of the Company is committed to raising the standard of corporate governance of the Group and believes that good corporate governance helps the Group to safeguard the interests of the shareholders and improve its business performance. The Company has complied with the code provisions set out in Part 2 of Appendix C1 of the Hong Kong Listing Rules (including the new code provisions in relation to internal control and risk management) during the Reporting Period, except for the deviation from the code provision C.5.1. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

Code provision C.5.1 under the Corporate Governance Code requires that “The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present”. During the Reporting Period, the Company held 10 Board meetings, of which 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.

## **AUDIT COMMITTEE**

The audit committee consisting of three independent non-executive Directors has been formed by the Board of the Company pursuant to 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), Ms. LUI FUNG Mei Yee, Mabel and Mr. ZHANG Guanghua.

On 28 August 2024, the audit committee has discussed with the management and reviewed the 2024 Interim Financial Report (Unaudited) of the Group for the six months ended 30 June 2024. The audit committee has no disagreement with the accounting treatment adopted in the 2024 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 Appendix D2 of the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2023 Annual Report of the Company.

## 5 SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

### 5.1 Other significant events during the Reporting Period

- (1) On 16 November 2023, the Company held the nineteenth meeting of tenth session of the Board in 2023 to consider and approve the proposal of repurchasing a portion of A Shares by the total capital not exceeding RMB300 million (inclusive), but not falling below RMB200 million (inclusive), at the repurchase price of not more than RMB10.20 per share (inclusive). In January 2024, the Company repurchased a total of 24,645,550 A shares by way of centralized bidding trading at the maximum purchase price of RMB8.45 per share and the minimum purchase price of RMB7.73 per share, with the total capital amounting to RMB200,067,828.50 (exclusive of transaction fees). As at 31 January 2024, the Company completed the repurchase of a portion of A shares. For details, please refer to the announcements of the Company dated 2 January 2024, 15 January 2024, 2 February 2024 and 6 February 2024.
- (2) For the litigation and arbitration between the Group's eight subsidiaries including Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) and Tianjin CIMC Logistics Equipment Co., Ltd. (天津中集物流裝備有限公司) and GOODPACK IBC (SINGAPORE) PTE. LTD and GOODPACK PTE. LTD, to date, the first trial has not yet been formally heard and was in a suspended state; the arbitral tribunal of the arbitration has just been formed and has not yet been formally heard. The Group has engaged external legal advisers in respect of the aforesaid case. However, as the relevant legal proceeding is still at an early stage, the management believes that there are inherent uncertainties in the timing and outcome of the conclusions to date, and the Group is unable to reliably estimate the amount of liabilities that may arise, if any. Therefore, the litigation constitutes a contingent liability of the Group, for which the Group has not made any provision in the financial statements and is unable to anticipate the possible impact on the Group's financial statements in the future at this stage. For details, please refer to note (16) to "6 2024 Interim Financial Report" of this announcement and the announcement of the Company dated 1 March 2024.

- (3) On 2 February 2024, the first meeting of the tenth session of the Board of the Company in 2024 considered and approved the relevant agreements (“**China Merchants Hoi Tung Framework Agreements**”) signed between the Company and China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) (“**China Merchants Hoi Tung**”, together with its subsidiaries, “**China Merchants Hoi Tung Group**”), which provided that the Group shall provide goods and services to China Merchants Hoi Tung Group on an ongoing basis and receive goods and services provided by China Merchants Hoi Tung Group, and agreed on the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ending 31 December 2024, 2025 and 2026. China Merchants Hoi Tung is a subsidiary of China Merchants Group, the substantial shareholder of the Company; as a result, China Merchants Hoi Tung Group is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions between the Group and China Merchants Hoi Tung Group under the China Merchants Hoi Tung Framework Agreements constitute continuing connected transactions of the Company. In addition, as stipulated by the provisions of Chapter 6 of the Shenzhen Listing Rules, China Merchants Hoi Tung Group is an associated corporation of the Company, and therefore the transactions between the Group and China Merchants Hoi Tung Group under the China Merchants Hoi Tung Framework Agreements constitute ordinary related-party transactions of the Company. For details, please refer to the announcement of the Company dated 2 February 2024.
- (4) On 12 March 2024, the Company received a notification letter from Shenzhen Capital Group, the largest shareholder of the Company, that Shenzhen Capital Group proposed to transfer A shares of the Company held by it, representing 5.10% of the total share capital of the Company, under agreement through public solicitation of transferee(s). On 15 May 2024, as informed by Shenzhen Capital Group, the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People’s Government had agreed with the public solicitation of transfer in principle through the state-owned equity management information system of listed companies (上市公司國有股權管理信息系統). On 1 July 2024, as informed by Shenzhen Capital Group, it had confirmed that Shenzhen Liye Industrial Group Co., Ltd. (“**Liye Industrial**”) was the transferee of the public solicitation of transfer according to announced rules and Shenzhen Capital Group had signed a share transfer agreement with Liye Industrial. Currently, the registration of share transfer in relation to the above public solicitation of transfer has been completed, and the transfer date is 14 August 2024. After the transfer, Shenzhen Capital Group remains as the largest shareholder of the Company. For details, please refer to the announcements of the Company dated 12 March 2024, 15 May 2024, 1 July 2024 and 14 August 2024.
- (5) On 27 March 2024, as considered and approved at the fifth meeting in 2024 of the tenth session of the Board of the Company, it was agreed to appoint Mr. WU Sanqiang as the board secretary/company secretary according to the nomination by Mr. MAI Boliang (Chairman of the Board). The qualification of Mr. WU Sanqiang for the re-appointment of company secretary has been approved by the Hong Kong Stock Exchange. Mr. WU Sanqiang has been the company secretary of the Company since 10 April 2024. Ms. HE Linying has resigned as a joint company secretary of the Company, and would serve as an assistant company secretary of the Company upon her resignation, with effect from 10 April 2024. For details, please refer to the announcement of the Company dated 10 April 2024.

- (6) On 27 August 2021, as considered and approved at the twenty-first meeting in 2021 of the ninth session of the Board of the Company, CIMC Finance Company signed the Financial Services Framework Agreement (the “**Original Financial Services Agreement**”) with Shenzhen CIMC Industry & City Development Group Co., Ltd. (the “**CIMC Industry & City**”). Pursuant to the Original Financial Services Agreement, CIMC Finance Company provides financial services to CIMC Industry & City and its subsidiaries, including deposit-taking services and loan services. The term is three years from the date when the general meeting considers and approves the agreement. The transaction limit of the Original Financial Services Agreement is as follows: the maximum daily deposit balance of CIMC Industry & City and its subsidiaries with CIMC Finance Company shall not exceed RMB3 billion; the principal balance of loans provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries shall not exceed RMB1.5 billion. The transaction was considered and approved at the fourth extraordinary general meeting for 2021 held by the Company on 24 September 2021. Considering the fact that the approved related-party transactions between the CIMC Finance Company and the CIMC Industry & City will be matured on 23 September 2024, on 4 June 2024, the tenth meeting in 2024 of the tenth session of the Board of the Company has considered and approved the CIMC Finance Company to enter into a new Financial Services Framework Agreement with the CIMC Industry & City, under which, the transaction limit remains unchanged as compared to the Original Financial Services Agreement, and the services shall be valid for a period of one year from the date of approval by the Board of the Company. The transaction is not required to submit to the general meeting of the Company for consideration. For details, please refer to the announcements of the Company dated 27 August 2021, 24 September 2021 and 4 June 2024.
- (7) On 27 March 2024, as considered and approved at the fifth meeting in 2024 of the tenth session of the Board of the Company, it proposed to engage KPMG Huazhen LLP as the accounting firm for the Company’s 2024 annual financial statements audit and internal control audit, and submitted to the general meeting for consideration. On 26 June 2024, this resolution was considered and approved by 2023 general meeting of the Company. For details, please refer to the announcements of the Company dated 27 March 2024 and 26 June 2024.

## 5.2 Other significant events of subsidiaries during the Reporting Period

- (1) On 11 March 2024, the Company published an announcement in relation to the H Share Buy-back Offer of CIMC Vehicles and the proposed Voluntary Withdrawal of Listing of CIMC Vehicles. The resolutions on the H Share Buy-back Offer of CIMC Vehicles and the Voluntary Withdrawal of Listing of CIMC Vehicles were considered and approved at the second extraordinary general meeting in 2024, the first A share class meeting in 2024 and the first H share class meeting in 2024 held by CIMC Vehicles on 18 April 2024. On 2 May 2024, all the conditions of the H Share Buy-back Offer of CIMC Vehicles and the Voluntary Withdrawal of Listing of CIMC Vehicles had been fulfilled. The H Share Buy-back Offer of CIMC Vehicles was closed at 4:00 p.m. (Hong Kong time) on Thursday, 30 May 2024. The listing of the H shares of CIMC Vehicles on the Hong Kong Stock Exchange was withdrawn with effect from 4:00 p.m. on Monday, 3 June 2024. The repurchase and cancellation of H shares in respect of which the offer was accepted had been completed on 7 June 2024. For details, please refer to the announcements of the Company dated 11 March 2024, 18 April 2024 and 30 May 2024.

- (2) On 28 June 2024, Advanced Manufacturing Industry Investment Fund (Limited Partnership), Future Industry Investment Co., Limited, the Company, CIMC HK and CIMC Offshore Holdings Limited (“**CIMC Offshore**”) signed the Equity Transfer Agreement in respect of CIMC Offshore Holdings Limited. The signing parties unanimously agreed that Future Industry Investment Co., Limited will transfer its 15% equity interest held in CIMC Offshore to CIMC HK for the consideration for equity transfer of RMB12,805.7 thousand. At the same time, as the consideration for equity transfer is less than the sum of the consideration for the capital increase by introduction of strategic investor and annualised earnings calculated at 5.2% (compound interest), the Company and CIMC HK shall fulfill the obligation of making up for shortfall in the amount of RMB1,413,163.6 thousand. Upon completion of this equity transfer, CIMC HK will hold 100% equity interest in CIMC Offshore in aggregate, and CIMC Offshore will become a wholly-owned subsidiary of the Company. For details, please refer to the announcement of the Company dated 1 July 2024.
- (3) On 27 December 2023, the Company held the twenty-fourth meeting in 2023 of the tenth session of the Board, at which the Resolution Regarding Matters Relating to the Listing of a Controlling Subsidiary CIMC Liquid Process Technologies Co., Ltd. was considered and approved. The Board approved the listing plan of CIMC LPT, an indirect controlling subsidiary of the Company, namely the application for quotation on the National Equities Exchange and Quotations (the “**NEEQ**”) and preparation for listing on the Beijing Stock Exchange by CIMC LPT. On 29 December 2023, CIMC LPT submitted an application to the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司) (“**NEEQ Co., Ltd.**”) for quotation of its shares on the NEEQ, which was accepted by the NEEQ Co., Ltd. on the same day. On 28 June 2024, CIMC LPT received the letter on “Approving the public transfer and quotation of shares of CIMC Liquid Process Technologies Co., Ltd. on the NEEQ” issued by the NEEQ Co., Ltd., approving the quotation of shares of CIMC LPT on the NEEQ. The public transfer of CIMC LPT on the NEEQ has commenced on 8 August 2024. After the quotation of its shares on the NEEQ, CIMC LPT remains as a controlling subsidiary within the scope of the Company’s consolidated statements, the independent listing status of the Company will not be affected, and the financial conditions, operating results and operation on a going concern basis of the Company will not be materially affected. For details, please refer to the announcements of the Company dated 1 July 2024 and 7 August 2024.

### **5.3 Significant Events Subsequent to the Reporting Period**

As at the date of this announcement, the Company did not have any significant events subsequent to the Reporting Period.

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

### 6.6.1 Consolidated Balance Sheet (unaudited) (continued)

Unit: RMB thousand

| LIABILITIES AND<br>SHAREHOLDERS' EQUITY     | Notes | 30 June<br>2024    | 31 December<br>2023 |
|---|-------|--------------------|---------------------|
| <b>Current liabilities:</b>                 |       |                    |                     |
| Short-term borrowings                       |       | 14,699,572         | 12,400,861          |
| Derivative financial liabilities            | (3)   | 86,056             | 1,696,118           |
| Financial liabilities held for trading      |       | 79,516             | 76,020              |
| Notes payables                              |       | 5,508,908          | 4,681,963           |
| Accounts payables                           | (5)   | 25,670,873         | 20,181,009          |
| Advances from customers                     |       | 6,029              | 11,099              |
| Contract liabilities                        |       | 15,265,897         | 13,053,025          |
| Employee benefits payable                   |       | 5,314,083          | 5,314,927           |
| Liabilities held for sale                   |       | 21,549             | –                   |
| Taxes payable                               |       | 1,346,241          | 1,170,035           |
| Other payables                              |       | 8,384,926          | 6,380,675           |
| Including: Interest payable                 |       | 1,095              | –                   |
| Dividends payable                           |       | 319,153            | 44,585              |
| Provisions                                  |       | 1,305,621          | 1,315,445           |
| Non-current liabilities due within one year |       | 5,906,993          | 9,675,619           |
| Other current liabilities                   |       | 2,650,698          | 3,028,367           |
| <b>Total current liabilities</b>            |       | <b>86,246,962</b>  | <b>78,985,163</b>   |
| <b>Non-current liabilities:</b>             |       |                    |                     |
| Long-term borrowings                        |       | 19,851,116         | 13,523,455          |
| Debentures payable                          |       | 4,023,871          | 1,960,454           |
| Lease liabilities                           |       | 899,900            | 820,638             |
| Long-term payables                          |       | 98,567             | 188,987             |
| Deferred income                             |       | 988,724            | 1,032,077           |
| Deferred tax liabilities                    |       | 633,871            | 567,155             |
| Other non-current liabilities               |       | 180,828            | 54,954              |
| <b>Total non-current liabilities</b>        |       | <b>26,676,877</b>  | <b>18,147,720</b>   |
| <b>Total liabilities</b>                    |       | <b>112,923,839</b> | <b>97,132,883</b>   |



**6.6.1 Consolidated Balance Sheet (unaudited) (continued)**

*Unit: RMB thousand*

| <b>LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b>                                      | <i>Notes</i> | <b>30 June<br/>2024</b> | 31 December<br>2023 |
|--|--------------|-------------------------|---------------------|
| <b>Shareholders' equity:</b>   |              |                         |                     |
| Share capital  |              | <b>5,392,521</b>        | 5,392,521           |
| Other equity instruments   |              | <b>4,033,119</b>        | 2,049,774           |
| Including: Perpetual bonds   |              | <b>4,033,119</b>        | 2,049,774           |
| Capital reserve  |              | <b>4,347,762</b>        | 4,548,686           |
| Less: Treasury shares  |              | <b>200,098</b>          | –                   |
| Other comprehensive income   |              | <b>204,394</b>          | 559,892             |
| Special reserves   |              | <b>33,372</b>           | 18,896              |
| Surplus reserve  |              | <b>4,486,351</b>        | 4,486,351           |
| Undistributed profits  |              | <b>31,579,391</b>       | 30,801,685          |
| <br>   |              |                         |                     |
| Total equity attributable to shareholders<br>and other equity holders of the Company |              | <b>49,876,812</b>       | 47,857,805          |
| Minority interests   |              | <b>16,311,308</b>       | 16,772,545          |
| <br>   |              |                         |                     |
| <b>Total shareholders' equity</b>  |              | <b>66,188,120</b>       | 64,630,350          |
| <br>   |              |                         |                     |
| <b>TOTAL LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b>                                |              | <b>179,111,959</b>      | 161,763,233         |

## 6.6.2 Company Balance Sheet (unaudited)

Unit: RMB thousand

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

## 6.6.2 Company Balance Sheet (unaudited) (continued)

Unit: RMB thousand

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

### 6.6.3 Consolidated Income Statement (unaudited)

Unit: RMB thousand

| ITEMS   | Notes | January – June<br>2024 | January – June<br>2023 |
|---|-------|------------------------|------------------------|
| <b>I. Revenue</b>   | (7)   | <b>79,115,043</b>      | 60,573,968             |
| Less: Cost of sales   | (7)   | <b>70,628,816</b>      | 52,412,425             |
| Taxes and surcharges  |       | <b>263,506</b>         | 256,782                |
| Selling and distribution expenses   |       | <b>1,185,230</b>       | 1,127,903              |
| General and administrative expenses   |       | <b>3,280,583</b>       | 2,936,470              |
| Research and development expenses   |       | <b>1,125,895</b>       | 1,119,777              |
| Financial expenses  |       | <b>522,940</b>         | 130,985                |
| Including: Interest expenses  |       | <b>1,054,835</b>       | 897,206                |
| Interest income   |       | <b>227,691</b>         | 146,041                |
| Asset impairment losses   | (8)   | <b>25,972</b>          | 100,416                |
| Credit impairment losses  | (8)   | <b>50,635</b>          | 34,530                 |
| Add: Other income   |       | <b>198,575</b>         | 223,582                |
| Investment income   |       | <b>126,134</b>         | 74,084                 |
| Including: Share of profit of associates and joint ventures                     |       | <b>121,207</b>         | 136,674                |
| Fair value losses   |       | <b>(249,762)</b>       | (1,125,670)            |
| Gains on disposals of assets  |       | <b>9,063</b>           | 18,363                 |
| <b>II. Operating profit</b>   |       | <b>2,115,476</b>       | 1,645,039              |
| Add: Non-operating income   |       | <b>126,380</b>         | 60,578                 |
| Less: Non-operating expenses  |       | <b>26,000</b>          | 53,646                 |
| <b>III. Profit before income tax</b>  |       | <b>2,215,856</b>       | 1,651,971              |
| Less: Income tax expenses   |       | <b>820,926</b>         | 661,589                |
| <b>IV. Net profit</b>   |       | <b>1,394,930</b>       | 990,382                |
| <b>Classified by business continuity</b>  |       |                        |                        |
| Net profit from continuing operations   |       | <b>1,394,930</b>       | 904,759                |
| Net profit/(loss) from discontinued operations                                  |       | <b>–</b>               | 85,623                 |
| <b>Classified by ownership</b>  |       |                        |                        |
| Net profit attributable to shareholders and other equity holders of the Company |       | <b>865,781</b>         | 398,556                |
| Profit or loss attributable to minority shareholders                            |       | <b>529,149</b>         | 591,826                |

### 6.6.3 Consolidated Income Statement (unaudited) (continued)

Unit: RMB thousand

| ITEMS  | Notes | January – June<br>2024 | January – June<br>2023 |
|--|-------|------------------------|------------------------|
| <b>V. Other comprehensive income, net of tax</b>   |       | <u>(382,659)</u>       | <u>(129,650)</u>       |
| Attributable to shareholders and other equity holders of the Company   |       | <u>(355,498)</u>       | <u>(262,325)</u>       |
| Items that will not be reclassified to profit or loss  |       | (169,024)              | (142,383)              |
| Changes in fair value of other equity investments  |       | (169,024)              | (142,383)              |
| Items that may be reclassified to profit or loss   |       | (186,474)              | (119,942)              |
| The amount by which the fair value was greater than the book value on the conversion date of investment properties |       | –                      | 775                    |
| Other comprehensive income that can be reclassified into profit or loss under the equity method                    |       | 45,453                 | 74,445                 |
| Changes in fair value of hedge accounting  |       | (11,641)               | –                      |
| Currency translation differences   |       | (220,286)              | (195,162)              |
| Minority interests   |       | (27,161)               | 132,675                |
| <b>VI. Total comprehensive income</b>  |       | <b>1,012,271</b>       | <b>860,732</b>         |
| Attributable to shareholders and other equity holders of the Company   |       | <b>510,283</b>         | <b>136,231</b>         |
| Minority interests   |       | <b>501,988</b>         | <b>724,501</b>         |
| <b>VII. Earnings per share</b>   |       |                        |                        |
| Basic earnings per share (RMB)   | (12)  | <b>0.16</b>            | 0.07                   |
| Diluted earnings per share (RMB)   | (12)  | <b>0.15</b>            | 0.07                   |

## 6.6.4 Company Income Statement (unaudited)

Unit: RMB thousand

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

## 6.6.5 Consolidated Cash Flow Statement (unaudited)

Unit: RMB thousand

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

**6.6.5 Consolidated Cash Flow Statement (unaudited) (continued)**

*Unit: RMB thousand*

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



## 6.6.6 Company Cash Flow Statement (unaudited)

Unit: RMB thousand

| ITEMS  | January – June<br>2024    | January – June<br>2023    |
|--|---------------------------|---------------------------|
| <b>I. Cash flows from operating activities</b>               |                           |                           |
| Cash received from sales of goods or rendering of services   | 94,801                    | 33,478                    |
| Cash received relating to other operating activities         | <u>25,992</u>             | <u>44,137</u>             |
| <b>Sub-total of cash inflows</b>                             | <u>120,793</u>            | <u>77,615</u>             |
| Cash paid to and on behalf of employees                      | 107,559                   | 116,076                   |
| Payments of taxes and surcharges                             | 27,349                    | 18,470                    |
| Cash paid relating to other operating activities             | <u>50,013</u>             | <u>49,930</u>             |
| <b>Sub-total of cash outflows</b>                            | <u>184,921</u>            | <u>184,476</u>            |
| <b>Net cash flows used in operating activities</b>           | <u><u>(64,128)</u></u>    | <u><u>(106,861)</u></u>   |
| <b>II. Cash flows from investing activities</b>              |                           |                           |
| Cash received from disposal of investments                   | 16,350,400                | 7,588,506                 |
| Cash received from returns on investments                    | 1,461,900                 | 2,857,502                 |
| Net cash received from disposal of fixed assets              | <u>131</u>                | <u>63</u>                 |
| <b>Sub-total of cash inflows</b>                             | <u>17,812,431</u>         | <u>10,446,071</u>         |
| Cash paid to acquire fixed assets and other long-term assets | 11,924                    | 1,398,336                 |
| Cash paid to acquire investments                             | 11,350,000                | 4,000,000                 |
| Net cash paid to acquire subsidiaries                        | –                         | 1,178,524                 |
| Cash paid relating to other investing activities             | <u>9,081,676</u>          | <u>8,429,988</u>          |
| <b>Sub-total of cash outflows</b>                            | <u>20,443,600</u>         | <u>15,006,848</u>         |
| <b>Net cash flows used in investing activities</b>           | <u><u>(2,631,169)</u></u> | <u><u>(4,560,777)</u></u> |

### 6.6.6 Company Cash Flow Statement (unaudited) (continued)

Unit: RMB thousand

| ITEMS   | January – June<br>2024 | January – June<br>2023 |
|---|------------------------|------------------------|
| <b>III. Cash flows from financing activities</b>                                |                        |                        |
| Cash received from borrowings   | 5,900,000              | 10,508,023             |
| Cash received from issuing bonds  | 8,000,000              | 2,499,668              |
| Cash received relating to other financing activities                            | –                      | 3,200,000              |
| <b>Sub-total of cash inflows</b>  | <b>13,900,000</b>      | <b>16,207,691</b>      |
| Cash repayments of borrowings   | 8,009,338              | 5,602,700              |
| Cash payments for distribution of dividends or profits and interest expenses    | 401,034                | 318,515                |
| Cash payments relating to other financing activities                            | 1,520,244              | 5,202,635              |
| <b>Sub-total of cash outflows</b>   | <b>9,930,616</b>       | <b>11,123,850</b>      |
| <b>Net cash flows from financing activities</b>                                 | <b>3,969,384</b>       | <b>5,083,841</b>       |
| <b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b> | <b>1,388</b>           | <b>351</b>             |
| <b>V. Net increase in cash and cash equivalents</b>                             | <b>1,275,475</b>       | <b>416,554</b>         |
| Add: Cash and cash equivalents at the beginning of the year                     | 2,821,693              | 550,709                |
| <b>VI. Cash and cash equivalents at the end of the period</b>                   | <b>4,097,168</b>       | <b>967,263</b>         |

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

Unit: RMB thousand

| Item   | January - June 2024  |                          |                 |                       |                            |  |                 |                       |                   |                            | 2023   |                          |                 |                            |                  |                 |                       |                   |                            |
|--|--|--------------------------|-----------------|-----------------------|----------------------------|--|-----------------|-----------------------|-------------------|----------------------------|--|--------------------------|-----------------|----------------------------|------------------|-----------------|-----------------------|-------------------|----------------------------|
|  | Attributable to shareholders and other equity holders of the Company |                          |                 |                       |                            | Attributable to shareholders and other equity holders of the Company |                 |                       |                   |                            | Attributable to shareholders and other equity holders of the Company |                          |                 |                            |                  |                 |                       |                   |                            |
|  | Share capital  | Other equity instruments | Capital surplus | Less: treasury shares | Other comprehensive income | Special reserves   | Surplus reserve | Undistributed profits | Minority interest | Total shareholders' equity | Share capital  | Other equity instruments | Capital surplus | Other comprehensive income | Special reserves | Surplus reserve | Undistributed profits | Minority interest | Total shareholders' equity |
| I. Balance at 31 December 2023   | 5,392,521  | 2,049,774                | 4,548,686       | -                     | 559,892                    | 18,896   | 4,486,351       | 30,801,685            | 16,772,545        | 64,630,350                 | 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 2024  | 5,392,521  | 2,049,774                | 4,548,686       | -                     | 559,892                    | 18,896   | 4,486,351       | 30,801,685            | 16,772,545        | 64,630,350                 | 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   | -  | 47,545                   | -               | -                     | -                          | -  | -               | 818,236               | 529,149           | 1,994,930                  | -  | 64,200                   | -               | -                          | -                | -               | 357,049               | 1,442,125         | 1,863,574                  |
| 1. Net profit  | -  | -                        | -               | -                     | -                          | -  | -               | -                     | (27,161)          | (382,689)                  | -  | -                        | -               | (505,648)                  | -                | -               | -                     | 156,617           | (349,031)                  |
| 2. Other comprehensive income  | -  | 47,545                   | -               | -                     | (355,498)                  | -  | -               | 818,236               | 501,988           | 1,012,271                  | -  | 64,200                   | -               | (505,648)                  | -                | -               | 357,049               | 1,598,742         | 1,514,343                  |
| Sub-total of I&2   | -  | -                        | -               | -                     | (355,498)                  | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| (II) Capital contribution and withdrawal by owners   | -  | -                        | 39,115          | -                     | -                          | -  | -               | -                     | 327,088           | 366,203                    | -  | -                        | 896,077         | -                          | -                | -               | -                     | 1,275,006         | 2,171,083                  |
| 1. Contributions by minority shareholders  | -  | -                        | -               | -                     | -                          | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| 2. Increase in minority interests resulted from acquisition or establishment of subsidiary | -  | -                        | -               | -                     | -                          | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| 3. Acquisition of minority interests of subsidiaries                                       | -  | -                        | (51,458)        | -                     | -                          | -  | -               | -                     | (1,023,151)       | (1,074,609)                | -  | (624,751)                | -               | -                          | -                | -               | -                     | 292,872           | (351,859)                  |
| 4. Disposal of subsidiaries (loss of control)  | -  | -                        | (193,705)       | -                     | -                          | -  | -               | -                     | 290,859           | 97,154                     | -  | -                        | -               | -                          | -                | -               | -                     | 399,006           | 399,006                    |
| 5. Disposal of subsidiaries (without losing control)                                       | -  | -                        | -               | -                     | -                          | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| 6. Increase in capital reserve resulted from share option exercised by subsidiary          | -  | -                        | 29,736          | -                     | -                          | -  | -               | -                     | 13,737            | 43,473                     | -  | -                        | 21,583          | -                          | -                | -               | -                     | 10,349            | 31,932                     |
| 7. Increase in shareholders' equity resulted from share-based payments                     | -  | -                        | (22,236)        | -                     | -                          | -  | -               | 77,563                | 28,332            | 83,659                     | -  | -                        | 57,483          | -                          | -                | -               | -                     | 31,202            | 88,685                     |
| 8. Issuance of other equity instruments  | -  | 2,000,000                | -               | -                     | -                          | -  | -               | -                     | -                 | 2,000,000                  | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| 9. Increase in capital from capital reserve  | -  | -                        | -               | -                     | -                          | -  | -               | -                     | 9,362             | (193,112)                  | -  | -                        | (9,524)         | -                          | -                | -               | -                     | -                 | (9,524)                    |
| 10. Others   | -  | -                        | (2,376)         | 200,098               | -                          | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| (III) Profit distribution  | -  | -                        | -               | -                     | -                          | -  | -               | (118,093)             | (614,513)         | (732,606)                  | -  | -                        | -               | -                          | -                | 186,096         | (186,096)             | -                 | -                          |
| 1. Appropriation to surplus reserves   | -  | -                        | -               | -                     | -                          | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | (966,809)             | (897,081)         | (1,863,890)                |
| 2. Profit distribution to shareholders   | -  | -                        | -               | -                     | -                          | -  | -               | -                     | -                 | -                          | -  | -                        | -               | -                          | -                | -               | -                     | -                 | -                          |
| 3. Interest paid on other equity instruments   | -  | (64,200)                 | -               | -                     | -                          | -  | -               | -                     | -                 | (64,200)                   | -  | -                        | -               | -                          | -                | -               | -                     | 19,794            | (64,200)                   |
| (IV) Safety fund   | -  | -                        | -               | -                     | -                          | 14,476   | -               | -                     | 5,061             | 19,537                     | -  | -                        | -               | 18,896                     | -                | -               | -                     | -                 | 38,690                     |
| IV. Balance at 30 June 2024  | 5,392,521  | 4,033,119                | 4,347,162       | 200,098               | 204,394                    | 33,372   | 4,486,351       | 31,579,391            | 16,311,308        | 66,188,120                 | 5,392,521  | 2,049,774                | 4,548,686       | 559,892                    | 18,896           | 4,486,351       | 30,801,685            | 16,772,545        | 64,630,350                 |

### 6.6.8 Company Statement of Changes in Shareholders' Equity (unaudited)

Unit: RMB thousand

| Item   | January - June 2024 |                          |                 |                       |                            | 2023            |                       |                            |               |                          |                 |                            |                 |                       |                            |
|--|---------------------|--------------------------|-----------------|-----------------------|----------------------------|-----------------|-----------------------|----------------------------|---------------|--------------------------|-----------------|----------------------------|-----------------|-----------------------|----------------------------|
|  | Share capital       | Other equity instruments | Capital surplus | Less: treasury shares | Other comprehensive income | Surplus reserve | Undistributed profits | Total shareholders' equity | Share capital | Other equity instruments | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Total shareholders' equity |
| <b>I. Balance at 31 December 2023</b>  | 5,392,521           | 2,049,774                | 1,015,449       | -                     | 238,928                    | 4,486,351       | 15,681,769            | 28,864,792                 | 5,392,521     | 2,049,774                | 1,015,449       | 639,000                    | 4,300,255       | 14,657,717            | 28,054,716                 |
| Change in accounting policies  | -                   | -                        | -               | -                     | -                          | -               | -                     | -                          | -             | -                        | -               | -                          | -               | -                     | -                          |
| <b>II. Balance at 1 January 2024</b>   | 5,392,521           | 2,049,774                | 1,015,449       | -                     | 238,928                    | 4,486,351       | 15,681,769            | 28,864,792                 | 5,392,521     | 2,049,774                | 1,015,449       | 639,000                    | 4,300,255       | 14,657,717            | 28,054,716                 |
| <b>III. Movements for the period</b>   |                     |                          |                 |                       |                            |                 |                       |                            |               |                          |                 |                            |                 |                       |                            |
| (I) Total comprehensive income   |                     |                          |                 |                       |                            |                 |                       |                            |               |                          |                 |                            |                 |                       |                            |
| 1. Net profit  | -                   | 47,545                   | -               | -                     | -                          | -               | (274,473)             | (226,928)                  | -             | 64,200                   | -               | -                          | -               | 2,176,957             | 2,241,157                  |
| 2. Other comprehensive income  | -                   | -                        | -               | -                     | (90,509)                   | -               | -                     | (90,509)                   | -             | -                        | -               | (400,072)                  | -               | -                     | (400,072)                  |
| Sub-total of I & 2   | -                   | 47,545                   | -               | -                     | (90,509)                   | -               | (274,473)             | (317,437)                  | -             | 64,200                   | -               | (400,072)                  | -               | 2,176,957             | 1,841,085                  |
| (II) Capital contribution and withdrawal by owners                                   |                     |                          |                 |                       |                            |                 |                       |                            |               |                          |                 |                            |                 |                       |                            |
| 1. Issuance of other equity instruments  | -                   | 2,000,000                | -               | -                     | -                          | -               | -                     | 2,000,000                  | -             | -                        | -               | -                          | -               | -                     | -                          |
| 2. Redemption of other equity instruments  | -                   | -                        | -               | -                     | -                          | -               | -                     | -                          | -             | -                        | -               | -                          | -               | -                     | -                          |
| 3. Increase in capital from capital reserve  | -                   | -                        | -               | -                     | -                          | -               | -                     | -                          | -             | -                        | -               | -                          | -               | -                     | -                          |
| 4. Others  | -                   | -                        | -               | 200,098               | -                          | -               | -                     | (200,098)                  | -             | -                        | -               | -                          | -               | -                     | -                          |
| (III) Profit distribution  |                     |                          |                 |                       |                            |                 |                       |                            |               |                          |                 |                            |                 |                       |                            |
| 1. Appropriation to surplus reserves   | -                   | -                        | -               | -                     | -                          | -               | -                     | -                          | -             | -                        | -               | -                          | 186,096         | (186,096)             | -                          |
| 2. Profit distribution to shareholders   | -                   | -                        | -               | -                     | -                          | -               | (118,093)             | (118,093)                  | -             | -                        | -               | -                          | -               | (966,809)             | (966,809)                  |
| 3. Interest paid on other equity instruments   | -                   | (64,200)                 | -               | -                     | -                          | -               | -                     | (64,200)                   | -             | (64,200)                 | -               | -                          | -               | -                     | (64,200)                   |
| (IV) Others  |                     |                          |                 |                       |                            |                 |                       |                            |               |                          |                 |                            |                 |                       |                            |
| 1. Retrospective adjustments on equity method of changing subsidiaries as associates | -                   | -                        | -               | -                     | -                          | -               | -                     | -                          | -             | -                        | -               | -                          | -               | -                     | -                          |
| <b>IV. Balance at 30 June 2024</b>   | 5,392,521           | 4,033,119                | 1,015,449       | 200,098               | 148,419                    | 4,486,351       | 15,280,203            | 30,164,964                 | 5,392,521     | 2,049,774                | 1,015,449       | 238,928                    | 4,486,351       | 15,081,769            | 28,864,792                 |

## 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.

The new Hong Kong Companies Ordinance has come into effect on 3 March 2024. 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 AND CHANGES IN ACCOUNTING POLICIES

The financial statements of the Company for the period from 1 January 2024 to 30 June 2024 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 2024 and their financial performance, cash flows and other information during January to June 2024.

In 2024, the Group has adopted the accounting requirements and guidance under Accounting Standards for Business Enterprises newly issued by the Ministry of Finance. The changes in accounting policies mainly include:

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

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

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

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

*Unit: RMB thousand*

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

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

*Unit: RMB thousand*

|                                   | <b>Before<br/>adjustments</b> | <b>The Group<br/>The amounts<br/>of adjustments</b>   | <b>After<br/>adjustments</b> |
|-----------------------------------|-------------------------------|---|------------------------------|
| Cost of sales                     | 52,299,058                    | 113,367   | 52,412,425                   |
| Selling and distribution expenses | 1,241,270                     | (113,367)   | 1,127,903                    |
|                                   |                               |   |                              |
|                                   | <b>Before<br/>adjustments</b> | <b>The Company<br/>The amounts<br/>of adjustments</b> | <b>After<br/>adjustments</b> |
| Cost of sales                     | –                             | –   | –                            |
| Selling and distribution expenses | –                             | –   | –                            |

**(3) DERIVATIVE FINANCIAL ASSETS AND DERIVATIVE FINANCIAL LIABILITIES**

*Unit: RMB thousand*

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

(a) **Foreign exchange forward contracts**

As at 30 June 2024, the Group had certain unsettled foreign exchange forward contracts, mainly denominated in US Dollars, Great Britain Pound, Euro, HK Dollar and Australian Dollar. The nominal value of these contracts amounted to USD234,442,000, GBP10,000,000, EUR121,560,000, HKD5,050,000, and AUD4,000,000, respectively. Pursuant to these contracts, the Group is required to buy/sell US Dollar, Great Britain Pound, Euro, HK Dollar, and Australian Dollar, with contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These foreign exchange forward contracts of the Group will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid contracts range from 1 July 2024 to 24 April 2025.

(b) **Commitment to minority shareholders**

CIMC Hong Kong, a wholly-owned subsidiary of the Group, shall compensate CIMC Offshore's minority shareholders for the difference below the agreed amount when it exits through the sale of equity to a third party. The Group's obligation to make up for such difference was recognised as derivative financial liabilities at fair value in prior years. On 28 June 2024, the Group exercised its pre-emptive right and entered into relevant Equity Transfer Agreement and Shortfall Making-up Agreement with the minority shareholders of CIMC Offshore. The payment of the amount of shortfall making-up was completed in July 2024.

(4) **ACCOUNTS RECEIVABLES**

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

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

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

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

*Unit: RMB thousand*

|  | <b>Book balance</b> | <b>Provision for<br/>bad debts</b> | <b>% of total<br/>accounts<br/>receivables</b> |
|--|---------------------|------------------------------------|--|
| Total of the five largest accounts receivables | <u>5,530,173</u>    | <u>1,591</u>                       | <u>16.58%</u>                                  |

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

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

- (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.

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

*Unit: RMB thousand*

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



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

*Unit: RMB thousand*

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

As at 30 June 2024, accounts receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed 1 – Containers manufacturing business:

*Unit: RMB thousand*

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

Collectively assessed 2 – Road transportation vehicles business:

*Unit: RMB thousand*

|                               | 30 June 2024     |                                      |                | 31 December 2023        |                                      |                |
|-------------------------------|------------------|--------------------------------------|----------------|-------------------------|--------------------------------------|----------------|
|                               | 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                   | 2,643,845        | 2.09%                                | 55,235         | 2,481,763               | 2.08%                                | 51,515         |
| Overdue within 1 month        | 379,541          | 5.71%                                | 21,672         | 491,179                 | 8.17%                                | 40,134         |
| Overdue 1 to 3 months         | 538,269          | 5.71%                                | 30,736         | 298,745                 | 8.17%                                | 24,410         |
| Overdue 3 to 12 months        | 817,698          | 5.71%                                | 46,691         | 455,569                 | 8.17%                                | 37,224         |
| Overdue 1 to 2 years          | 108,929          | 24.97%                               | 27,199         | 62,551                  | 36.80%                               | 23,021         |
| Overdue 2 to 3 years          | 52,941           | 68.60%                               | 36,315         | 42,537                  | 77.14%                               | 32,812         |
| Overdue 3 to 5 years          | 23,518           | 100.00%                              | 23,518         | 23,813                  | 100.00%                              | 23,813         |
| Overdue for more than 5 years | 31,249           | 100.00%                              | 31,249         | 26,088                  | 100.00%                              | 26,088         |
|                               | <u>4,595,990</u> |                                      | <u>272,615</u> | <u>3,882,245</u>        |                                      | <u>259,017</u> |

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

*Unit: RMB thousand*

|                               | 30 June 2024     |                                      |                | 31 December 2023        |                                      |                |
|-------------------------------|------------------|--------------------------------------|----------------|-------------------------|--------------------------------------|----------------|
|                               | 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                   | 2,758,127        | 1.66%                                | 45,921         | 2,703,263               | 2.44%                                | 65,828         |
| Overdue within 1 month        | 125,700          | 4.41%                                | 5,539          | 233,021                 | 2.96%                                | 6,898          |
| Overdue 1 to 3 months         | 252,021          | 4.99%                                | 12,577         | 114,952                 | 2.96%                                | 3,403          |
| Overdue 3 to 12 months        | 223,622          | 8.00%                                | 17,900         | 242,484                 | 4.46%                                | 10,815         |
| Overdue 1 to 2 years          | 62,816           | 26.27%                               | 16,502         | 46,491                  | 17.46%                               | 8,119          |
| Overdue 2 to 3 years          | 21,239           | 38.41%                               | 8,157          | 17,594                  | 25.83%                               | 4,545          |
| Overdue 3 to 5 years          | 17,297           | 69.02%                               | 11,939         | 15,360                  | 45.03%                               | 6,917          |
| Overdue for more than 5 years | 34,096           | 100.00%                              | 34,096         | 30,092                  | 100.00%                              | 30,092         |
|                               | <u>3,494,918</u> |                                      | <u>152,631</u> | <u>3,403,257</u>        |                                      | <u>136,617</u> |

Collectively assessed 4 – Offshore engineering business:

*Unit: RMB thousand*

|                               | 30 June 2024     |                                      |               | 31 December 2023 |                                      |               |
|-------------------------------|------------------|--------------------------------------|---------------|------------------|--------------------------------------|---------------|
|                               | 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                   | 523,242          | 0.12%                                | 622           | 1,179,459        | 0.25%                                | 2,956         |
| Overdue within 1 month        | 609,502          | 2.73%                                | 16,612        | 147              | 4.76%                                | 7             |
| Overdue 1 to 3 months         | 412,097          | 4.50%                                | 18,549        | 6,542            | 5.00%                                | 327           |
| Overdue 3 to 12 months        | 198,573          | 5.11%                                | 10,141        | 4,299            | 5.00%                                | 215           |
| Overdue 1 to 2 years          | 20,373           | 70.78%                               | 14,419        | 24,763           | 70.59%                               | 17,479        |
| Overdue 2 to 3 years          | -                | -                                    | -             | -                | -                                    | -             |
| Overdue 3 to 5 years          | 10,878           | 100.00%                              | 10,878        | 18,581           | 100.00%                              | 18,581        |
| Overdue for more than 5 years | -                | -                                    | -             | -                | -                                    | -             |
|                               | <u>1,774,665</u> |                                      | <u>71,221</u> | <u>1,233,791</u> |                                      | <u>39,565</u> |

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

*Unit: RMB thousand*

|                               | 30 June 2024     |                                      |                | 31 December 2023 |                                      |                |
|-------------------------------|------------------|--------------------------------------|----------------|------------------|--------------------------------------|----------------|
|                               | 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                   | 1,472,977        | 0.83%                                | 12,290         | 1,950,298        | 0.81%                                | 15,813         |
| Overdue within 1 month        | 163,094          | 5.48%                                | 8,934          | 159,847          | 5.51%                                | 8,808          |
| Overdue 1 to 3 months         | 108,729          | 5.48%                                | 5,956          | 267,553          | 5.51%                                | 14,744         |
| Overdue 3 to 12 months        | 634,253          | 5.48%                                | 34,743         | 319,338          | 5.51%                                | 17,597         |
| Overdue 1 to 2 years          | 174,379          | 18.59%                               | 32,425         | 258,335          | 19.05%                               | 49,215         |
| Overdue 2 to 3 years          | 123,004          | 46.73%                               | 57,475         | 100,037          | 44.79%                               | 44,807         |
| Overdue for more than 3 years | 110,248          | 73.73%                               | 81,282         | 102,226          | 84.04%                               | 85,913         |
|                               | <u>2,786,683</u> |                                      | <u>233,105</u> | <u>3,157,634</u> |                                      | <u>236,897</u> |

Collectively assessed 6 – Logistics services business:

*Unit: RMB thousand*

|                               | 30 June 2024     |                                      |               | 31 December 2023 |                                      |               |
|-------------------------------|------------------|--------------------------------------|---------------|------------------|--------------------------------------|---------------|
|                               | 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                   | 4,252,908        | 0.85%                                | 36,289        | 2,609,749        | 0.87%                                | 22,600        |
| Overdue within 1 month        | 240,115          | 1.38%                                | 3,308         | 379,638          | 1.00%                                | 3,796         |
| Overdue 1 to 3 months         | 235,679          | 1.82%                                | 4,294         | 143,779          | 1.00%                                | 1,438         |
| Overdue 3 to 12 months        | 169,265          | 2.27%                                | 3,840         | 148,336          | 1.00%                                | 1,483         |
| Overdue 1 to 2 years          | 119,826          | 17.71%                               | 21,221        | 64,171           | 20.00%                               | 12,834        |
| Overdue 2 to 3 years          | 20,614           | 88.24%                               | 18,189        | 8,415            | 80.00%                               | 6,732         |
| Overdue for more than 3 years | 12,713           | 98.47%                               | 12,518        | 15,334           | 100.00%                              | 15,334        |
|                               | <u>5,051,120</u> |                                      | <u>99,659</u> | <u>3,369,422</u> |                                      | <u>64,217</u> |

Collectively assessed 7 – Recycled load business:

*Unit: RMB thousand*

|                               | 30 June 2024   |                                      |               | 31 December 2023 |                                      |               |
|-------------------------------|----------------|--------------------------------------|---------------|------------------|--------------------------------------|---------------|
|                               | 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                   | 689,846        | 0.06%                                | 432           | 641,678          | 0.27%                                | 1,763         |
| Overdue within 1 month        | 74,625         | 0.81%                                | 601           | 76,487           | 3.00%                                | 2,295         |
| Overdue 1 to 3 months         | 69,615         | 1.63%                                | 1,134         | 45,363           | 3.00%                                | 1,361         |
| Overdue 3 to 12 months        | 77,386         | 2.13%                                | 1,645         | 45,436           | 3.00%                                | 1,363         |
| Overdue 1 to 2 years          | 15,555         | 25.59%                               | 3,980         | 3,703            | 30.00%                               | 1,111         |
| Overdue for more than 2 years | 5,709          | 100.00%                              | 5,709         | 3,073            | 100.00%                              | 3,073         |
|                               | <u>932,736</u> |                                      | <u>13,501</u> | <u>815,740</u>   |                                      | <u>10,966</u> |

Collectively assessed 8 – Other business:

*Unit: RMB thousand*

|                               | 30 June 2024     |                                 |               | 31 December 2023 |                                 |              |
|-------------------------------|------------------|---------------------------------|---------------|------------------|---------------------------------|--------------|
|                               | 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                   | 2,027,079        | 0.01%                           | 263           | 1,943,303        | 0.02%                           | 393          |
| Overdue within 1 month        | 84,207           | 0.36%                           | 307           | 3,252            | 0.86%                           | 28           |
| Overdue 1 to 3 months         | 2,240            | 2.01%                           | 45            | 31,768           | 1.17%                           | 371          |
| Overdue 3 to 12 months        | 66,463           | 2.12%                           | 1,410         | 30,610           | 1.17%                           | 359          |
| Overdue 1 to 2 years          | 672              | 26.93%                          | 181           | 3,443            | 39.99%                          | 1,377        |
| Overdue for more than 2 years | 8,451            | 100.00%                         | 8,451         | 7,430            | 100.00%                         | 7,430        |
|                               | <u>2,189,112</u> |                                 | <u>10,657</u> | <u>2,019,806</u> |                                 | <u>9,958</u> |

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

## (5) ACCOUNTS PAYABLES

- (a) Accounts payables are as follows:

*Unit: RMB thousand*

|                               | 30 June 2024      | 31 December 2023  |
|-------------------------------|-------------------|-------------------|
| Due to raw material suppliers | 18,857,909        | 14,434,816        |
| Integrated logistics charges  | 2,971,711         | 2,145,486         |
| Equipment procurement charges | 1,156,385         | 990,571           |
| Project procurement charges   | 526,605           | 334,719           |
| Transportation charges        | 928,213           | 826,524           |
| Project contracts charges     | 285,046           | 617,911           |
| Processing charges            | 527,908           | 243,731           |
| Others                        | 417,096           | 587,251           |
|                               | <u>25,670,873</u> | <u>20,181,009</u> |

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

|                           | <i>Unit: RMB thousand</i> |                          |
|---------------------------|---------------------------|--------------------------|
|                           | <b>30 June 2024</b>       | 31 December 2023         |
| Within 1 year (inclusive) | <b>23,905,742</b>         | 18,769,669               |
| 1 to 2 years (inclusive)  | <b>716,386</b>            | 798,220                  |
| 2 to 3 years (inclusive)  | <b>588,656</b>            | 215,474                  |
| Over 3 years              | <b>460,089</b>            | 397,646                  |
|                           | <b><u>25,670,873</u></b>  | <b><u>20,181,009</u></b> |

As at 30 June 2024, accounts payables over 1 year with a carrying amount of RMB1,765,131,000 (31 December 2023: RMB1,411,340,000) were mainly payables related to offshore engineering business, and energy and chemicals business. Since the production cycle of the offshore engineering business, and energy and chemicals business was usually more than 1 year, the payables have not yet been settled.

#### (6) UNDISTRIBUTED PROFITS

|  | <i>Unit: RMB thousand</i>              |                          |
|--|--|--------------------------|
|  | <i>Note</i> <b>January – June 2024</b> | 2023                     |
| Returned earnings at the beginning of the year   | <b>30,801,685</b>                      | 31,597,541               |
| Add: Net profit attributable to shareholders and other equity holders of the Company in current period | <b>865,781</b>                         | 421,249                  |
| Add: Impact of share-based payments by subsidiaries  | <b>77,563</b>                          | –                        |
| Less: Equity attributable to holders of other equity instruments in current period                     | <b>(47,545)</b>                        | (64,200)                 |
| Less: Appropriation to surplus reserve   | –                                      | (186,096)                |
| Less: Ordinary share dividends payable   | <b>(118,093)</b>                       | (966,809)                |
|  | <b><u>31,579,391</u></b>               | <b><u>30,801,685</u></b> |

(a) Ordinary share dividends distributed in current period

|  | <i>Unit: RMB thousand</i>  |                       |
|--|----------------------------|-----------------------|
|  | <b>January – June 2024</b> | 2023                  |
| Total proposed dividends in current period | <b><u>118,093</u></b>      | <b><u>966,809</u></b> |

Approved by the shareholders' general meeting on 26 June 2024, the Company distributed cash dividends to ordinary shareholders on 16 August 2024, at RMB0.022 per share (2023: RMB0.18 per share), totaling RMB118,093,000 (2023: RMB966,809,000).

(7) REVENUE AND COST OF SALES

|                                     | <i>Unit: RMB thousand</i>  |                     |
|-------------------------------------|----------------------------|---------------------|
|                                     | <b>January – June 2024</b> | January – June 2023 |
| Revenue from main operations        | 77,081,255                 | 58,571,290          |
| Revenue from other operations       | <u>2,033,788</u>           | <u>2,002,678</u>    |
|                                     | <u><b>79,115,043</b></u>   | <u>60,573,968</u>   |
| Cost of sales from main operations  | 69,915,804                 | 51,022,590          |
| Cost of sales from other operations | <u>713,012</u>             | <u>1,389,835</u>    |
|                                     | <u><b>70,628,816</b></u>   | <u>52,412,425</u>   |

(8) ASSET IMPAIRMENT LOSSES AND CREDIT IMPAIRMENT LOSSES

(a) Asset impairment losses

|   | <i>Unit: RMB thousand</i>  |                     |
|---|----------------------------|---------------------|
|   | <b>January – June 2024</b> | January – June 2023 |
| Impairment losses on construction in progress                               | –                          | –                   |
| Impairment losses on contract assets  | 12,674                     | 4,640               |
| Impairment losses on inventories and costs incurred to fulfil<br>a contract | 3,466                      | 95,686              |
| Impairment losses on goodwill   | 9,832                      | –                   |
| Impairment losses on fixed assets   | –                          | –                   |
| Impairment losses on intangible assets                                      | –                          | –                   |
| Impairment losses on long-term equity investments                           | –                          | –                   |
| Losses on bad debts of advance to suppliers                                 | –                          | 90                  |
| Impairment losses on assets held for sale                                   | –                          | –                   |
|   | <u><b>25,972</b></u>       | <u>100,416</u>      |

(b) Credit impairment losses

Unit: RMB thousand

|  | January – June 2024 | January – June 2023 |
|--|---------------------|---------------------|
| Losses on bad debts of long-term receivables (including current portion of non-current assets) | 2,661               | 1,392               |
| Losses on bad debts of notes receivables   | 445                 | 993                 |
| (Reversal of) bad debts of receivables financing   | (173)               | (55)                |
| Losses on bad debts of accounts receivables  | 53,813              | 44,030              |
| Reversal of bad debts of other receivables   | (1,600)             | (366)               |
| (Reversal of) financial guarantee contracts  | (4,511)             | (11,464)            |
|  | <u>50,635</u>       | <u>34,530</u>       |

(9) NON-OPERATING INCOME

Non-operating income by categories is as follows:

Unit: RMB thousand

|                     | January – June 2024 | January – June 2023 | Amount recognised in non-recurring profit or loss for the period from 1 January to 30 June 2024 |
|---------------------|---------------------|---------------------|---|
| Unpayable payables  | 5,451               | 23,652              | 5,451   |
| Compensation income | 5,467               | 10,432              | 5,467   |
| Penalty income      | 4,065               | 7,090               | 4,065   |
| Others              | 111,397             | 19,404              | 111,397   |
|                     | <u>126,380</u>      | <u>60,578</u>       | <u>126,380</u>  |



**(10) INCOME TAX EXPENSES***Unit: RMB thousand*

|  | <b>January – June 2024</b> | January – June 2023   |
|--|----------------------------|-----------------------|
| Current income tax calculated based on tax law and related regulations | <b>733,357</b>             | 713,693               |
| Deferred income tax  | <b>87,569</b>              | (52,104)              |
|  | <b><u>820,926</u></b>      | <b><u>661,589</u></b> |

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:

*Unit: RMB thousand*

|   | <b>January – June 2024</b> | January – June 2023   |
|---|----------------------------|-----------------------|
| Total profit  | <b>2,215,856</b>           | 1,651,971             |
| Income tax expenses calculated at applicable tax rates (25%)                    | <b>553,964</b>             | 411,331               |
| The effect of using different tax rates for subsidiaries                        | <b>48,879</b>              | 22,479                |
| Effect of tax incentive   | <b>(30,599)</b>            | (32,792)              |
| Cost, expenses and losses not deductible for tax purposes                       | <b>46,563</b>              | 33,973                |
| Other income not subject to tax   | <b>(24,892)</b>            | (93,488)              |
| Utilisation of previously unrecognised deductible losses                        | <b>(41,101)</b>            | (33,240)              |
| Deductible losses for which no deferred tax asset was recognised                | <b>244,191</b>             | 305,665               |
| Deductible temporary differences for which no deferred tax asset was recognised | <b>42,075</b>              | 67,516                |
| Utilisation of previously unrecognised deductible temporary differences         | <b>(4,981)</b>             | (7,299)               |
| Effect of tax rate change on deferred tax                                       | <b>–</b>                   | –                     |
| Tax refund for income tax annual filing   | <b>(13,173)</b>            | (12,557)              |
|   | <b><u>820,926</u></b>      | <b><u>661,589</u></b> |

**(11) PROFIT OR LOSS ATTRIBUTABLE TO MINORITY SHAREHOLDERS**

During the Reporting Period, the Group's minority profit or loss recorded RMB529,149,000 (same period in 2023: RMB591,826,000), representing a year-on-year decrease of 10.59%.

## (12) EARNINGS PER SHARE

### (a) 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*

|  | <b>January – June<br/>2024</b> | January – June<br>2023 |
|--|--------------------------------|------------------------|
| Consolidated net profit attributable to shareholders of the Company          | <b>865,781</b>                 | 398,556                |
| Less: Equity attributable to holders of other equity instruments             | <u>(47,545)</u>                | <u>(32,100)</u>        |
| Consolidated net profit attributable to ordinary shareholders of the Company | <u><b>818,236</b></u>          | <u>366,456</u>         |
| Weighted average number of ordinary shares outstanding ('000)                | <u><b>5,225,771</b></u>        | <u>5,392,521</u>       |
| Basic earnings per share (RMB/share)   | <u><b>0.16</b></u>             | <u>0.07</u>            |
| Including: Going concern basic earnings per share                            | <b>0.16</b>                    | 0.05                   |
| Termination concern basic earnings per share                                 | <u><b>–</b></u>                | <u>0.02</u>            |

### (b) 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*

|   | <b>January – June 2024</b> | January – June 2023 |
|---|----------------------------|---------------------|
| Consolidated net profit attributable to shareholders of the Company                     | <b>865,781</b>             | 398,556             |
| Impact of the issuing of the perpetual bonds by the Company                             | <b>(47,545)</b>            | (32,100)            |
| Impact of share-based payments by subsidiaries  | <u><b>(26,049)</b></u>     | <u>13,710</u>       |
| Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company | <u><b>792,187</b></u>      | <u>380,166</u>      |
| Weighted-average number of ordinary shares outstanding (diluted) ('000) (adjusted)      | <u><b>5,225,771</b></u>    | <u>5,392,521</u>    |
| Diluted earnings per share (RMB/share)  | <u><u><b>0.15</b></u></u>  | <u><u>0.07</u></u>  |

### **(13) DIVIDENDS**

The Directors did not propose to declare the interim dividend for the six months ended 30 June 2024 (the corresponding period in 2023: 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 2024 is as follows:

Unit: RMB thousand

| Items  | Containers manufacturing |              | Road transportation vehicles |              | Energy, chemical and liquid food equipment |              | Offshore engineering   |              | Airport facilities and logistics equipment, fire safety and rescue equipment |              | Finance and asset management |              | Recycled load          |              | Others                 |              | Elimination between segments and unallocated amounts |              | Total                  |              |
|--|--------------------------|--------------|------------------------------|--------------|--|--------------|------------------------|--------------|--|--------------|------------------------------|--------------|------------------------|--------------|------------------------|--------------|--|--------------|------------------------|--------------|
|  | 1 January to 1 January   | 30 June 2024 | 1 January to 1 January       | 30 June 2024 | 1 January to 1 January                     | 30 June 2024 | 1 January to 1 January | 30 June 2024 | 1 January to 1 January   | 30 June 2024 | 1 January to 1 January       | 30 June 2024 | 1 January to 1 January | 30 June 2024 | 1 January to 1 January | 30 June 2024 | 1 January to 1 January                               | 30 June 2024 | 1 January to 1 January | 30 June 2024 |
| External transaction   | 24,617,885               | 10,606,775   | 12,105,851                   | 7,778,697    | 2,386,547                                  | 14,004,007   | 1,155,510              | 1,195,563    | 5,264,208  | 1,195,563    | 5,264,208                    | 1,195,563    | 5,264,208              | 1,195,563    | 5,264,208              | 1,195,563    | 5,264,208  | -            | 79,115,043             | 79,115,043   |
| Inter segment transaction  | 331,641                  | 92,894       | 15,004                       | 5,017        | 16,613                                     | 84,824       | 245                    | 1,582        | 640,553  | 1,582        | 640,553                      | 245          | 1,582                  | 640,553      | 1,582                  | 640,553      | 245  | (1,188,373)  | -                      | -            |
| Cost of sales  | 21,906,849               | 9,104,651    | 10,520,215                   | 7,395,139    | 1,909,446                                  | 13,211,699   | 1,053,340              | 1,052,918    | 5,439,810  | 1,052,918    | 5,439,810                    | 1,053,340    | 1,052,918              | 5,439,810    | 1,052,918              | 5,439,810    | 1,053,340  | (965,251)    | 70,628,816             | 70,628,816   |
| Investment income/(loss) in associates and joint ventures  | (5,624)                  | (1,600)      | (3,617)                      | (8,473)      | 35   | 33,804       | -                      | 429          | 106,253  | 35           | 33,804                       | -            | 429                    | 106,253      | 35                     | 33,804       | -  | -            | -                      | 121,207      |
| Asset and credit impairment loss   | (1,714)                  | 7,525        | 31,837                       | (11)         | (654)                                      | 34,641       | -                      | 3,367        | 2,321  | (654)        | 34,641                       | -            | 3,367                  | 2,321        | (654)                  | 34,641       | -  | (705)        | 76,607                 | 76,607       |
| Depreciation and amortisation expenses   | 410,097                  | 305,914      | 450,401                      | 182,321      | 71,449                                     | 98,098       | 540,806                | 74,133       | 18,103   | 71,449       | 98,098                       | 540,806      | 74,133                 | 18,103       | 71,449                 | 98,098       | 540,806  | (247,675)    | 1,903,647              | 1,903,647    |
| Interest income  | 123,936                  | 79,425       | 102,303                      | 3,865        | 5,864                                      | 4,861        | 141,952                | 1,835        | 1,130,293  | 5,864        | 4,861                        | 141,952      | 1,835                  | 1,130,293    | 5,864                  | 4,861        | 141,952  | (1,366,643)  | 227,691                | 227,691      |
| Interest expenses  | 20,031                   | 11,751       | 58,823                       | 267,977      | 38,448                                     | 37,277       | 931,699                | 11,972       | 1,043,301  | 38,448       | 37,277                       | 931,699      | 11,972                 | 1,043,301    | 38,448                 | 37,277       | 931,699  | (1,366,444)  | 1,054,835              | 1,054,835    |
| Total profit/(loss)  | 1,604,522                | 750,272      | 385,872                      | (81,730)     | 40,457                                     | 267,015      | (824,465)              | (42,629)     | (852,257)  | 40,457       | 267,015                      | (824,465)    | (42,629)               | (852,257)    | 40,457                 | 267,015      | (824,465)  | 968,799      | 2,215,856              | 2,215,856    |
| Income tax expenses  | 328,476                  | 176,285      | 144,291                      | 2,601        | 3,821                                      | 62,640       | 51,384                 | 6,610        | 16,597   | 3,821        | 62,640                       | 51,384       | 6,610                  | 16,597       | 3,821                  | 62,640       | 51,384   | 28,221       | 820,926                | 820,926      |
| Net profit/(loss)  | 1,276,046                | 573,987      | 241,581                      | (84,331)     | 36,636                                     | 204,375      | (875,849)              | (49,239)     | (868,854)  | 36,636       | 204,375                      | (875,849)    | (49,239)               | (868,854)    | 36,636                 | 204,375      | (875,849)  | 940,578      | 1,394,930              | 1,394,930    |
| Segment total assets   | 39,716,400               | 24,095,006   | 30,504,777                   | 18,825,452   | 9,453,971                                  | 9,111,171    | 39,913,789             | 3,762,996    | 64,390,155   | 9,453,971    | 9,111,171                    | 39,913,789   | 3,762,996              | 64,390,155   | 9,453,971              | 9,111,171    | 39,913,789   | (60,661,688) | 179,111,959            | 179,111,959  |
| Segment total liabilities  | 21,781,919               | 9,325,261    | 18,357,272                   | 22,343,611   | 6,022,216                                  | 6,316,444    | 47,353,918             | 1,842,209    | 52,364,569   | 6,022,216    | 6,316,444                    | 47,353,918   | 1,842,209              | 52,364,569   | 6,022,216              | 6,316,444    | 47,353,918   | (72,783,580) | 112,923,839            | 112,923,839  |
| Supplementary information:   |                          |              |                              |              |  |              |                        |              |  |              |                              |              |                        |              |                        |              |  |              |                        |              |
| - Other non-cash (income)/expenses other than depreciation and amortisation  | (77,249)                 | 2,199        | 31,085                       | (92,199)     | (14,240)                                   | 28,052       | 216,394                | 6,565        | 1,268,265  | (14,240)     | 28,052                       | 216,394      | 6,565                  | 1,268,265    | (14,240)               | 28,052       | 216,394  | (1,422,343)  | (53,471)               | (53,471)     |
| - Long-term equity investment of associates and joint ventures   | 665,307                  | 133,338      | 654,428                      | 475,644      | 122  | 579,057      | 114,289                | 4,566        | 9,644,372  | 122          | 579,057                      | 114,289      | 4,566                  | 9,644,372    | 122                    | 579,057      | 114,289  | -            | 12,271,123             | 12,271,123   |
| - Amount of additions to other non-current assets other than long-term equity investment, financial assets and deferred tax assets | 866,263                  | 291,032      | 717,118                      | 113,553      | 88,255                                     | 51,178       | 128,459                | 98,124       | 25,347   | 88,255       | 51,178                       | 128,459      | 98,124                 | 25,347       | 88,255                 | 51,178       | 128,459  | (203,830)    | 2,175,499              | 2,175,499    |

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

*Unit: RMB thousand*

| Items  | Containers manufacturing  |                           | Road transportation vehicles |                           | Energy, chemical and liquid food equipment |                           | Offshore engineering      |                           | Airport facilities and logistics equipment, fire safety and rescue equipment |                           | Logistics services        |                           | Finance and asset management |                           | Recycled load             |                           | Others                    |                           | Elimination between segments and unallocated amounts |                           | Total                     |                           |  |
|--|---------------------------|---------------------------|------------------------------|---------------------------|--|---------------------------|---------------------------|---------------------------|--|---------------------------|---------------------------|---------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--|---------------------------|---------------------------|---------------------------|--|
|  | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023    | 1 January to 30 June 2023 | 1 January to 30 June 2023                  | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023  | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023    | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 1 January to 30 June 2023                            | 1 January to 30 June 2023 | 1 January to 30 June 2023 | 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  | 11,425,772                | 10,940,469                | 9,580,748                    | 3,790,182                 | 1,797,180                                  | 8,513,762                 | 967,521                   | 1,252,737                 | 5,748,864  | (1,604,810)               | 52,412,425                |                           |                              |                           |                           |                           |                           |                           |  |                           |                           |                           |  |
| Investment income/(loss) in associates and joint ventures  | 302                       | 11,089                    | 15,474                       | (7,942)                   | 4,489                                      | 29,968                    | -                         | 662                       | 82,632   | -                         | 136,674                   |                           |                              |                           |                           |                           |                           |                           |  |                           |                           |                           |  |
| Asset 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                     | 903,771  | (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                 |                           |                              |                           |                           |                           |                           |                           |  |                           |                           |                           |  |

## (15) RESTRICTED ASSETS OF THE GROUP AS AT 30 JUNE 2024

As at 30 June 2024, assets with restrictions in their ownership are as follows:

*Unit: RMB thousand*

|                          | <b>Closing<br/>book value</b> | <b>Reasons for restrictions</b>                             |
|--------------------------|-------------------------------|---|
| Cash at bank and on hand | 1,519,694                     | Margin and statutory reserves deposited to the central bank |
| Intangible assets        | 35,271                        | No transfer without permission from the government          |
| Receivables financing    | <u>2,770</u>                  | Pledge  |
| Total                    | <u><u>1,557,735</u></u>       |   |

## (16) CONTINGENCIES

### (a) Guarantees provided for external parties

CIMC Vehicles, a subsidiary of the Group, engages in the vehicle purchase credit business and enters into credit guarantee agreements with China Merchants Bank and Industrial Bank to provide credit guarantees for the financing provided by the respective banks to the Group's and its holding subsidiaries' distributors and customers for the purchase of vehicle products. As at 30 June 2024, the aggregate amount of credit facilities in respect of which the Group and its holding subsidiaries provided guarantees to the distributors and customers was RMB195,572,000 (31 December 2023: RMB445,985,000). The Group expected that there was no significant increase in credit risk of such guarantee since initial recognition, and recognized the 12-month ECL.

The Company entered into a guarantee agreement with the Export-Import Bank of China Anhui Branch, etc to provide guarantees for the loans of the associate C&C Truck and its subsidiaries. As at 30 June 2024, the amount guaranteed by the Company was RMB129,150,000 (31 December 2023: RMB106,260,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd., cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank, in mortgage credit cooperation. It signed a housing loan guarantee contract, which provides a phased guarantee for loans granted by the relevant bank to the company's customers for the purchase of properties. As at 30 June 2024, the customer financing loans provided by the Shaanxi Vehicle Industrial Park were approximately RMB5,518,000 (31 December 2023: RMB7,050,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Company entered into guarantee agreements with relevant banks to provide guarantees for the loans of CIMC Industry & City and its subsidiaries. As at 30 June 2024, the loans guaranteed by the Company amounted to RMB235,739,000 (31 December 2023: RMB244,549,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

Holding subsidiaries of Enric signed guarantee contracts with China Everbright Bank to provide credit guarantees for loans to Yichuan Tianyun Clean Energy Co., Ltd. via relevant banks. As at 30 June 2024, the loans provided by holding subsidiaries of Enric were RMB51,829,000 (31 December 2023: RMB54,964,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Company and its subsidiaries entered into guarantee agreements with relevant banks to provide guarantees for the loans of CIMC CAPITAL and its subsidiaries. As at 30 June 2024, the amount guaranteed by the Company and its subsidiaries was RMB1,004,129,000 (31 December 2023: RMB1,032,828,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

**(b) Material litigation**

Eight entities including the headquarters of the CIMC Group and its subsidiary Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) (collectively referred to as the “**Defendants**”), successively received litigation materials from the High Court of Singapore since 7 July 2023. Goodpack IBC (Singapore) PTE. Ltd and Goodpack PTE. Ltd (collectively referred to as the “**Plaintiffs**”) have appealed that when the Defendants entered the IBC (Intermediate Bulk Container) leasing business in the rubber industry, we were involved in “plagiarizing the Plaintiffs’ products, involving the Plaintiffs’ technology and confidential information by the invention patents and utility model patents applied for in China, and misappropriating the Plaintiffs’ intellectual property and technologies”. The Plaintiffs alleged that the Defendants had breached the obligation of confidentiality, engaged in a conspiracy to infringe and obtained unjust enrichment, claiming a compensation in the amount of USD9.8562 million, banning the manufacturing of and recalling of all infringing IBCs, and the payment of the profits gained from such infringement and that the Defendants should bear joint liabilities. Goodpack IBC (Singapore) PTE. Ltd subsequently initiated the arbitration against Dalian CIMC Special Logistics Equipment Co., Ltd. (大連中集特種物流裝備有限公司) and Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) (collectively referred to as the “**Respondents**”, both are the subsidiaries of the Company) at the Singapore International Arbitration Centre on 2 February 2024, and alleged that the Respondents had breached confidentiality, non-competition and intellectual property rights covenants in the relevant agreements and appendices, claiming the award of the breach of the Respondents, a compensation in a total amount of USD19.8137 million, banning the manufacturing of and recalling of all infringing IBCs, and the payment of the profits gained from such infringement and the Respondents bearing joint liabilities. As at the date of this financial report, the first trial of the above case has not yet been formally heard and was in a suspended state; the arbitral tribunal of the said arbitration has just been formed and has not yet been formally heard. The Group has engaged external legal advisers in respect of the aforesaid case. However, as the relevant legal proceeding is still at an early stage, the management believes that there are uncertainties in the timing and outcome of the conclusions as at the date of this financial report, and the Group is unable to reliably estimate the amount of liabilities that may arise, if any. Therefore, the litigation constitutes a contingent liability of the Group, for which the Group has not made any provision in the financial statements and is unable to anticipate the possible impact on the Group’s financial statements in the future at this stage.

On 13 December 2023, Weihai Guangtai Airport Equipment Co., Ltd. (威海廣泰空港設備股份有限公司) (“**Weihai Guangtai**”) issued a “Notification Letter On Patent Infringement” to CIMC TianDa and its subsidiary TianDa Airport, filing five patent infringement lawsuits against TianDa Airport as a defendant and requesting Shenzhen Intermediate People’s Court (the “**Shenzhen Intermediate Court**”) to adjudicate SZ Tianda to stop manufacturing, selling and promising to sell the allegedly infringing products and pay compensation for infringement damages in a total amount of RMB150 million to Weihai Guangtai,

On 16 January 2024, the Shenzhen Intermediate Court filed the abovementioned five patent infringement litigation cases. Up to the date of this financial report, the above case has not yet been formally heard. The Group engaged an intellectual property right lawyer to conduct an assessment and issued a patent infringement analysis report. According to the patent infringement analysis report, the allegedly infringing products did not infringe the patent rights of the five patents asserted to be infringed by Weihai Guangtai, and the possibility of an outflow of economic benefits expected from the relevant litigations was considered minimal after assessment by the management.

The Group involved as defendant in certain outstanding litigations. Apart from the abovementioned litigations, the litigations are still at an early stage of trial. The outcomes of the trials are uncertain, which cannot be reliably measured, and the likelihood of an outflow of projected economic benefits from the related litigations is remote.

(c) **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 2024, the Group had outstanding letters of credit issued but undue of RMB670,946,000 (31 December 2023: RMB1,216,742,000).

As at 30 June 2024, the Company had outstanding balance of bank guarantees issued for the subsidiaries of the Group of RMB62,146,000, USD1,129,715,000 (equivalent to RMB8,196,552,000), GBP945,000 (equivalent to RMB8,672,000) and EUR12,055,000 (equivalent to RMB93,658,000) respectively, totaling RMB8,361,028,000 (31 December 2023: RMB8,982,283,000).

As at 30 June 2024, the amount of the unexpired letter of guarantee of the Group's subsidiary issued by the bank was RMB11,717,063,000, of which the balance of the advance payment guarantee was RMB2,847,992,000, and the balance of the quality guarantees (including foreign guarantees) was RMB333,469,000, the balance of other non-financing guarantees was RMB1,101,793,000, and the balance of performance guarantees was RMB7,433,809,000 (31 December 2023: RMB5,666,192,000).

(17) **COMMITMENTS**

(a) **Capital expenditure commitments**

- (i) 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*

|  | <b>30 June 2024</b>   | 31 December 2023 |
|--|-----------------------|------------------|
| Foreign investment contracts                     | –                     | 5,000            |
| Fixed assets purchase and construction contracts | <u>581,744</u>        | <u>69,375</u>    |
|  | <u><b>581,744</b></u> | <u>74,375</u>    |



## (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<br>on net assets (%) |                        | Earnings per share          |                        |                               |                        |
|---|--|------------------------|-----------------------------|------------------------|-------------------------------|------------------------|
|   |  |                        | Basic earnings<br>per share |                        | Diluted earnings<br>per share |                        |
|   | January –<br>June 2024                       | January –<br>June 2023 | January –<br>June 2024      | January –<br>June 2023 | January –<br>June 2024        | January –<br>June 2023 |
| Net profit attributable to ordinary<br>shareholders of the Company  | 1.77%  | 0.79%                  | 0.16                        | 0.07                   | 0.15                          | 0.07                   |
| Net profit attributable to ordinary<br>shareholders of the Company<br>after deducting non-recurring<br>profit or loss | 1.68%  | 2.03%                  | 0.15                        | 0.18                   | 0.14                          | 0.18                   |

## (19) EVENTS AFTER THE BALANCE SHEET DATE

As at the date of this announcement, there was no event after the balance sheet date which had a material impact on the Group.

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

Hong Kong, 28 August 2024

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

\* *For identification purposes only*