

CIMC Annual
Results of FY2018

000039.SZ / 2039.HK

Driving new value Moving the world 创•造•新价值

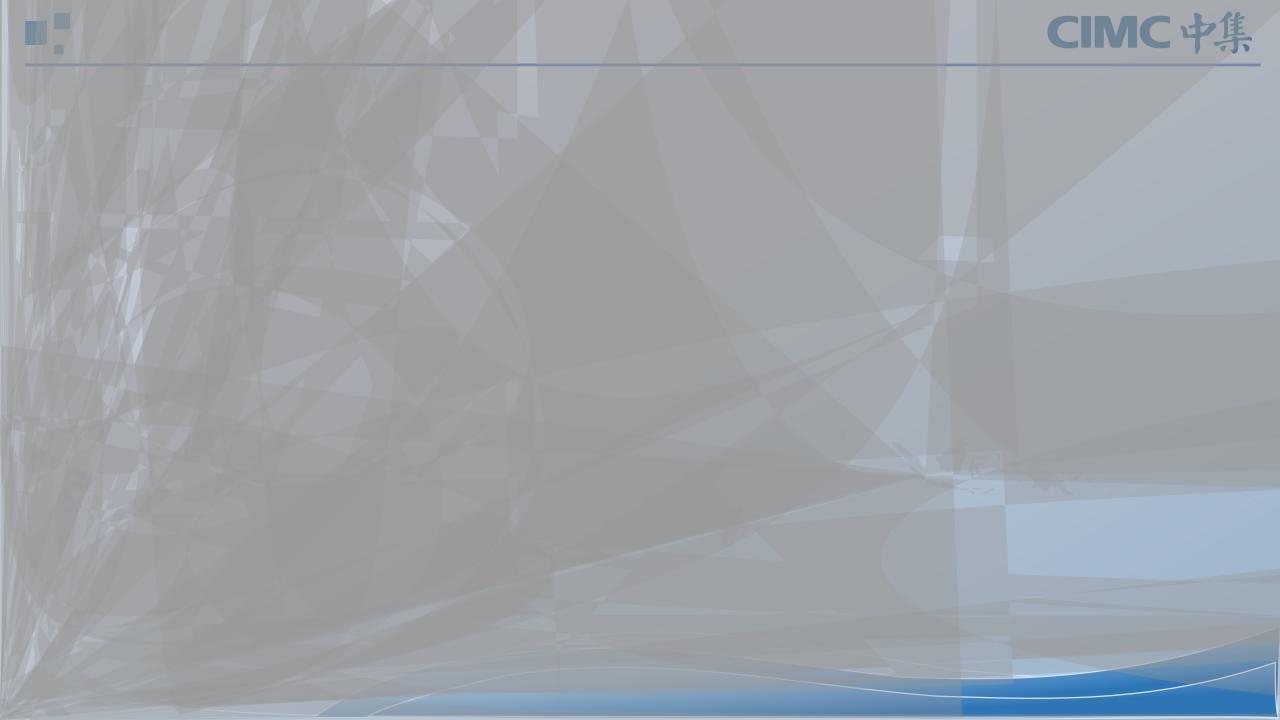




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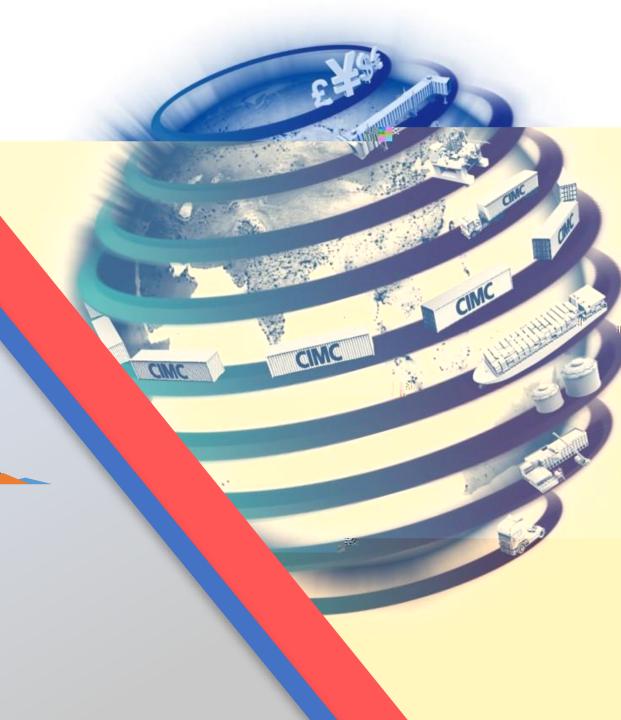






02

Management Measures





Optimize 5S management system

Further strengthen the connection between each S, and promote the effective operation of the system.

Create champion products

Build an ecosystem for scientific and technological innovation and promote the creation of world champion products.

Intelligent upgrade

Deepen excellent operation, promote intelligent manufacturing and create champion products.

Promote lean management ONE model

of upgrading ONE from 1.0 to 2.0.

scientific and technological innovation

In 2018, we own 577 patent applications, among which there are 251 invention applications,

Innovation and entrepreneurship

Launch the 100-person business plan, with the core idea of selecting the right project and mechanism.



03

Business Reviews

Business Operation in Major businesses



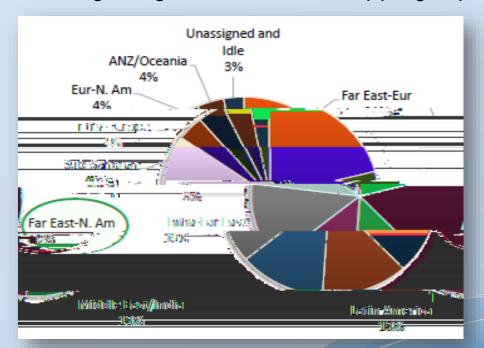
Container Market Performance



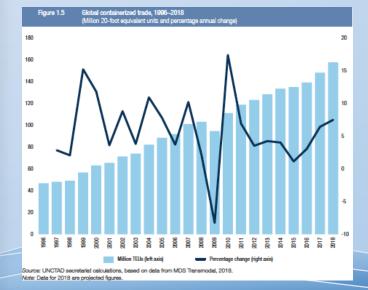
- Increased trade tensions and consequent policy uncertainties
- Container transport market: a large number of shipping capacity, the overall decline in freight rates.
- The international shipping dry bulk market is generally good, the container transport market is stable, and the crude oil market has bottomed out.
- Container transport cargo volume rose steadily. The purchasing of new container has been vigorous.

Table 3: World dry freight container* output by manufacturing group (TEU) 2016 2018** Company 2014 2015 2017 1,460,000 1.205,000 1.475.000 1,370,000 CIMC Group 1:430:00067 1,370,00% 1,370,0638 D ma kary Marrati Wall SACT STATE OF THE PROPERTY OF THE PARTY OF T Manife Steam Contrainer ISUATES TERRITOR IRestof were I 75.: 00±00====8: « 1 (3:00= Total *ISO standard/special_palletwide and domestic, **Jan-Sept_Source: Container manufacturing industry

Percentage of global container shipping capacity



Global container trade from 1996 to 2018





Container Manufacturing Business of CIMC



- Technology research and development
- Major project investment
 - 1. Fenggang, Dongguan

Longteng

- 3. heat storage and temperature controlled containers
- significant assets disposals

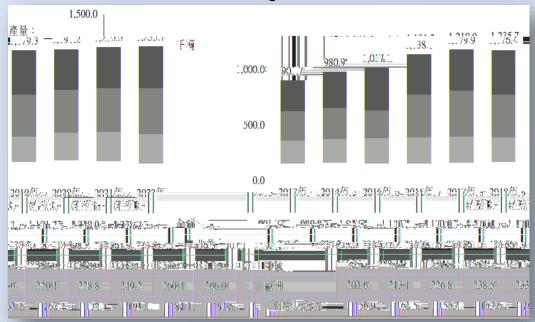
the original reefer container factory in Qingdao



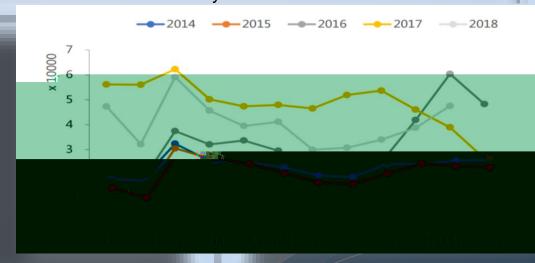
Global Road Transportation Vehicle Industry



Semi truck sales in all regions from 2013 to 2022



Domestic heavy truck semi-trailer tractor sales



Semi - trailer industry and its downstream market shows

expansion trend

Domestic semi truck sales declined in 2018 and are expected to continue to decline to 378,000 units in China 2019.

> Domestic semi truck sales are expected to increase from 2020 to 412,000 in 2022.

Europe

- European semi truck sales are expected to reach 266,000 units in 2022.
- The 2017 to 2022 cagr was 2.6 percent.

North American semi truck sales grew at a compound annual rate of 7.3 percent from 2013 to 2017.

North North America is America expected to sell 376,300 semi trucks in 2022

The 2017 to 2022 cagr is expected to slip to 0.6 percent.



Road Transportation Vehicle Business



The overseas listing of CIMC vehicles has been approved by CSRC

2018.7

Super Magellan diditat production line was officially put into production in yang hou

2018.8

Cimc Vehicles to be listed on the main board of the Hong Kong stock exchange

2018.9

Cimc Vehicles to be converted into a joint stock company.

2018.9

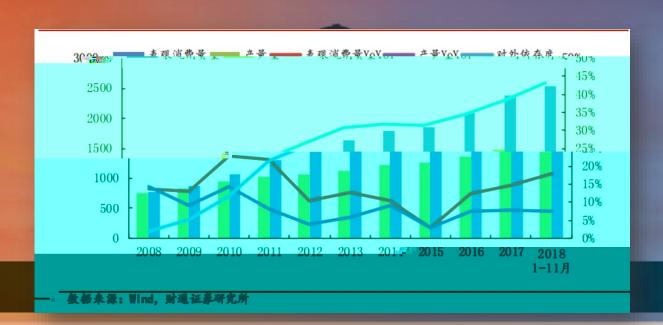
Shenzhen cimc takes the lead in launching a new type of fully enclosed intelligent muck truck based on LNG environmental protection chassis

2018.12

The application for hshare listing to the stock exchange of Hong Kong was accepted



Global Energy, Chemical and Liquid Food Equipment industry



The world economy continues to grow moderately, and speed slows down

China's natural gas industry has entered a golden period of development with the sustained and rapid growth of natural gas imports

- The growth of natural gas supply accelerated in 2018.
- Natural gas imports jumped to the top in the world in 2018.
- China's oil and gas consumption continued to grow rapidly in 2018.
- The annual growth rate of natural gas consumption in the Asia-Pacific region is 5.7%.



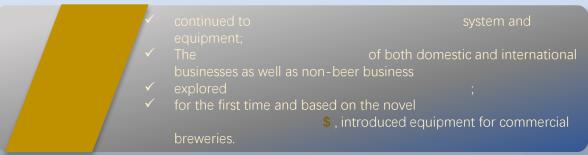
Energy, Chemical and Liquid Food Equipment Business

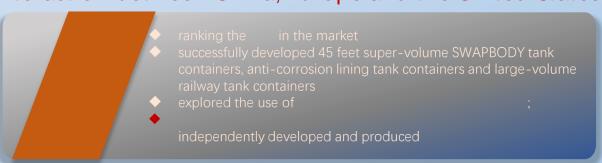


	Increase / decrease %	2018	2017
Operating income 100 million Yuan)	19.56	141.63	118.46
Energy equipment	21.55	60.27	49.59
Chemical equipment	24.51	37.68	30.26
Liquid food equipment	19.06	31.98	26.86
Net profit 100 million Yuan)	67.21	7.92	4.74



The "Local Wisdom, Global Operations" Pattern Based on the Interaction between China, Europe and the United States





2018.5

The strategic cooperation agreement with China natural gas will also see the sale of 275 LNG tanks worth 126 million yuan

2018.7

"CIMC shell" Europe's first LNG filling station officially put into use

2018.10

To build the largest automatic LNG filling platform in China

2018.10

Nantong CIMC delivered the world's first 65MW large-scale Marine exhaust scrubber



Global Offshore Engineering Industry

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Brent Crude Oil Price Trend in 2018



The idle rate of various types of marine craft is still at a certain high level.

In terms of market conditions, the vacancy rate in Southeast Asia is the highest.

Oil and gas exploration and development investment has steadily increased, the traditional oil and gas industry is slowly recovering, production platforms and modules are the most practical core demand of the oil and gas market.

- ◆ In 2018, the trend of international oil prices fluctuated, rising steadily in the first half of the year, and then falling in the second half of the year. The average price rose significantly overall, surpassing market expectations.
- ◆ In 2018, the traditional oil and gas industry recovered slowly, and new business areas such as module building, production platform, marine fisheries, marine tourism and other non-oil and gas businesses grew rapidly.

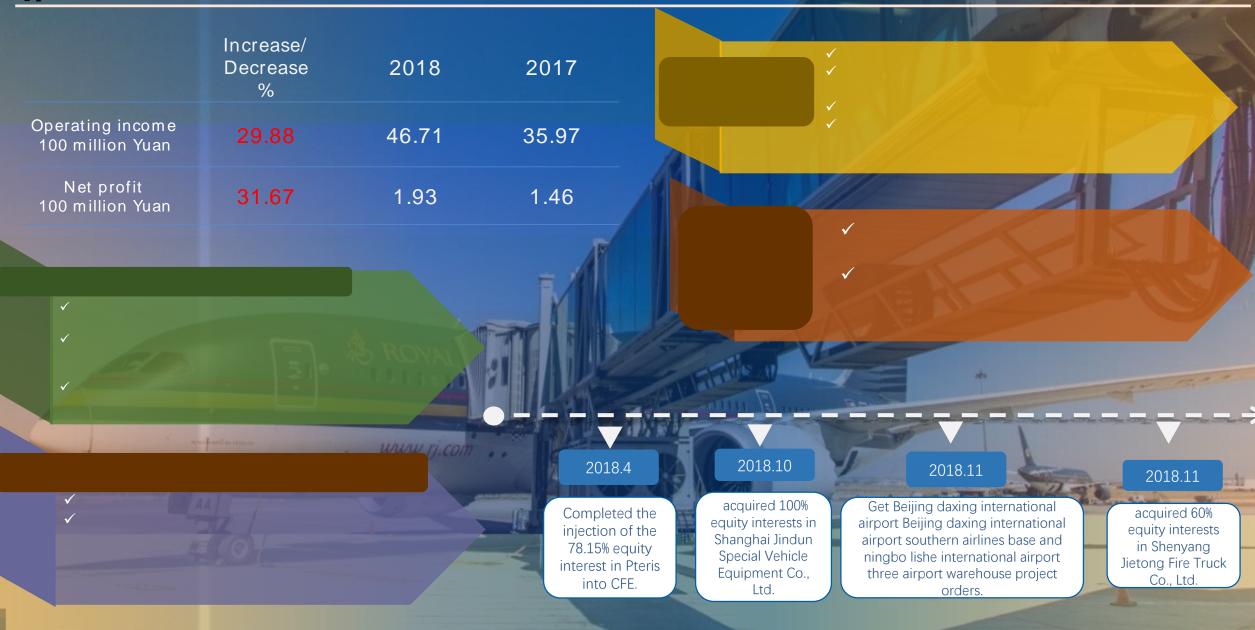
Traditional Oil and Gas Industry Slowly Recovered Rapid growth of non-oil and gas business







Airport Facilities, Fire and Rescue and Logistics Equipment business



Logistics Service



Cross-border Logistics Solution Service Provider with "Equipment + Service" as the Core



- marine transport and project logistics business line

 (1) Overseas: strengthening Africa and promoted East Africa.
- ♦ (2) Domestically, we promoted the distribution of freight forwarding outlets in South China, strengthened the national coverage of freight forwarding services, and actively explored strategic opportunities in new areas such as LNG tank intermodal transport.
- rail-water intermodal transport business line
 "Manufacturing + Service" as the Core of



Industrial City Development



Increase/ Decrease %

2018

2017

Operating income 100 million Yuan

Net profit 100 million Yuan

Sales area Ten

Great breakthroughs have been made in land reserve and project promotion



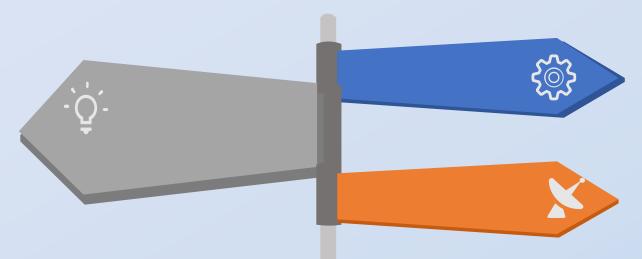
- ✓ In November 2018, Shenzhen Shekou Prince Bay high-quality land was successfully acquired by means of capital increase and stock expansion.
- ✓ On September 30, 2018, the Qianhai Project started its construction ceremony, and the project entered a stage of rapid progress.

Focus on Industrial Park Business and Commit to "Park Operating Experts"



Financial Business





Continuous optimization of business portfolio and significant improvement of overall risk management capability.



Modular Building & Multimodal Transport

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- ✓ Xiongan Citizen Service Center project, Xiongan completed 30,000 square meters Hotel and office building projects in less than 100 days.
- ✓ It was the first to obtain technical admittance approval from the Hong Kong Housing Department and successfully delivered the CIC demonstration project

- ✓ The student apartment project of Newcastle University has been put into use.
- ✓ Australia and New Zealand Market enter the field of high-rise hotels and government public safety service facilities.
- ✓ African market completed of the Djibouti project has been completed.
- ✓ Nordic Icelandic Market successfully achieved qualification access, and the first Marriott Hotel project achieved order signing.



The construction of project in the African market has been first completed

Design and build steel structural building modules for IBIS Australia project

project

Cimc builds Hong

Kong's first

modular building

2018.11 2018.9

2018.2

2018.6

Involved in the construction of a venue for the 2022 World Cup in Qatar

2018.10

The first modular steel structure in the United States: the university of California, Berkeley, graduate student housing has opened.

20+,18 railway bureaus Ten railwav bureaus have liner arrival business

ships



04

Financial Reflects

"Strong Strength & Steady Performance"

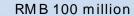


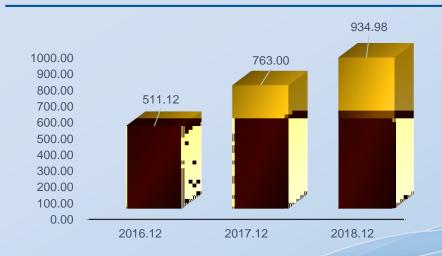
Financial Reflects



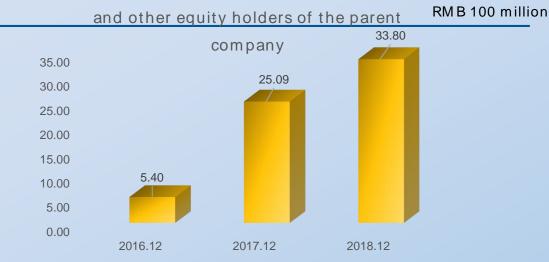


Revenue





Net profit attributable to the shareholders



Total equity attributable to shareholders of the parent company







Financial Reflects



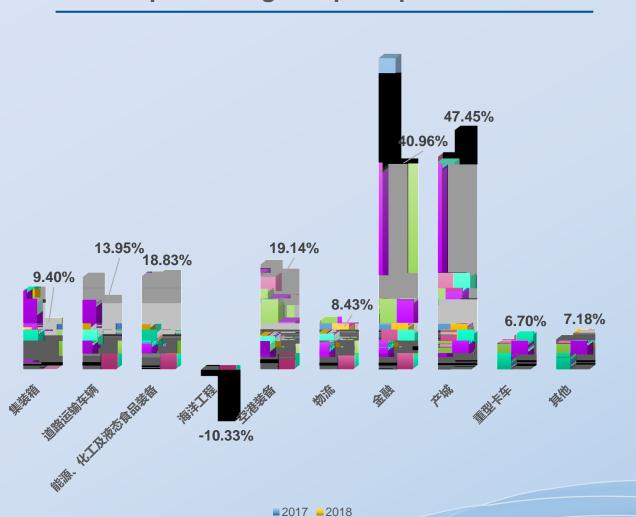
By the end of December 31th 100 million Yuan	At the end of the Reporting Period (31 December 2018)	At the end of the previous year (31 December 2017)	Change
Total assets	1,588.84	1,306.04	21.65%
Total liabilities	1,064.81	873.67	21.88%
Short-term borrowings	198.98	153.17	29.91%
Long-term borrowings	257.70	241.40	6.75%
Total equity attributable to shareholders and other equity holders of the parent company	373.25	324.61	14.98%
Total shareholders' equity	524.03	432.37	21.20%
liability/asset ratio	67.02%	66.89%	0.13%
By the end of December 31th 100 million Yuan	FY2018 (Jan. to Dec.)	FY2017 (Jan. to Dec.)	Change
Net cash flows from operating activities	1.41	44.65	-96.85%
Net cash flows from investing activities	-44.02	-17.70	-148.70%
Net cash flows from financing activities	92.96	35.37	362.80%

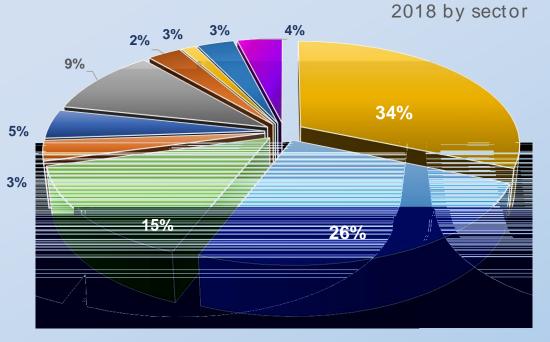




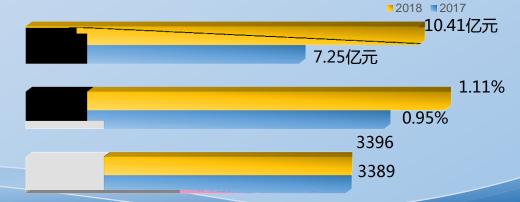
Share of revenue in







research input in 2018





05

Future Outlooks

"Intelligent Manufacturing + Intelligent Logistics"



Industry Development Trend and Market Outlook



In 2019, global trade frictions will have become an important negative factor affecting the global economic recovery. China's economy is still in an important period of strategic transformation and development opportunities. We are faced with trade frictions between China and the United States, slowing global trade growth, increasing pressure on the domestic economy to slow down, and interest rate hikes by the federal reserve. Meanwhile, positive policies and market demand, such as reducing taxes and fees, improving the business environment, improving related infrastructure, and building new drivers of economic growth in the guangdong-hong kong-macao greater bay area, have also provided cimc with many development opportunities. In the future, cimc will focus on four aspects of business: business focusing, qualitative growth, organization improvement and technology innovation.

Container Manufacturing

- ✓ According to the latest prediction made by CLARKSON (a leading global industry analyst), growth of global container trade reached 4.5% in 2018 and is expected to decrease slightly to 4.4% in 2019 but remained at a favourable level.
- The growth of shipping capacity will decrease to 3.1% in 2019, and the oversupply in the container transportation market may be relieved.
- ✓ The demand for containers in 2019 will fall back from the record high in 2018.



Road Transportation Vehicle

- According to the Frost & Sullivan Report, global sales are predicted to pick up gradually.
- In 2019, the number of semitrailers sold is expected to reach 378,000 units in China.
- North America will witness a decline in the CAGR to 0.6% over the 2017-2022 period as predicted.
- Europe is expected to record a CAGR of 2.6% during the period from 2017 to 2022.

Offshore Engineering

- √ in 2019, it is expected that oil prices will be slowly climbing and the investment in oil and gas exploration and development will steadily increase whilst still under pressure.
- ✓ It is expected that the demand in the drilling platform market in will still be limited. characterized by overall oversupply, gradual balancing and local shortage.
- Market segments of the offshore engineering business markets are embracing new strong growth drivers.

Energy, Chemical and Liquid food equipment

- As China enters the golden period for natural gas development. the import volume of natural gas, in particular LNG, will maintain relatively rapid growth
- With China, southeast Asia, India, Russia and other emerging market economies continuing to flourish, the chemical industry in emergingmarkets has grown rapidly, which will directly pull the demand for tank containers

industry Development Irend and Market Outlook



Airport Facilities Equipment

- In 2019, it is predicted that the global airport business will still maintain steady growth, benifiting the boarding bridge and peripheral business and the GSE business.
- ☐ The fire and rescue equipment business will also grow steadily as there is a visible trend in merger, acquisition and consolidation in the global fire safety industry, with lifting and specialty vehicles as the main profitable points.
- ☐ The automated logistics business will continue to grow with further improvements in smart technology applications.
- The parking industry is favorably backed by policy-support. It is evident from the policies rolled out by pilot cities that proposals to develop multistory parking will be feasible and effective. The garage business is expected to achieve a major breakthrough in 2019.

Heavy Truck

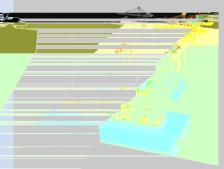
- With the continuously heightened environmental laws and regulations, the start of the blue sky protection campaign, and the strict implementation of policies such as overload and overlimit control, the national heavy truck market in 2019 will set off a new upsurge of emission upgrading.
- The total sales volume of the industry is expected to be 800,000 to 900,000 vehicles, which will decline by approximately 20% compared with the sales volume in 2018. In particular, there will be different degrees of decline in the market segment demand for the four major categories, i.e. tractor, cargo truck, dump truck and specialty vehicle, especially a greater decline in the cargo and dump truck markets.

Finance

- ☐ In 2019, domestic financial leasing enterprises face both challenges and opportunities, and the overall economy is exposed to growth deceleration, and the domestic economy may continue to go down. Leasing companies will shoulder dual pressure and challenges relating to capital and assets in their operations.
- On the other side, financial leasing companies will return to the origin of leasing business, focusing on the synergy from the integration of industry and finance, creating specialized and differentiated competitive advantages based on leasing items.
- ☐ With the gradual emergence of the impact of trade frictions, increasing downward pressure on the domestic economy, stable growth gradually takes on heightened importance, the monetary policy will undergo a transformation from to

. The central bank is expected to implement moderate to loose and structurally loose monetary policies. However, other factors such as deleveraging, risk prevention and international monetary policy tightening cycle have limited the room for easing.

Logistics Services



- ◆ In 2019, increasing uncertainties associated with the global trade landscape and the rise of trade protectionism led by the United States have led to certain pressure on foreign trade in terms of trade balance.
- ◆ The PRC is undergoing a comprehensive deepening reform and economic restructuring by implementing several national strategies.

Industrial City Development Business

- ◆ In 2019, affected by the normalization of policy regulation, the financing environment still maintain a tightening trend.
- ◆ Industrial real estate has become the focus of government, enterprises and capital markets.
- ◆ The industrial real estate has been transforming from the development mode to the operation mode.
- ◆ It has become a trend to encourage property selfmaintenance and cultivate advanced industrial clusters.

Overall Operation Targets and Initiatives for Main Business Segments



Container
Manufacturing
Business



Road
Transportation
Vehicle Business

Energy, Chemical and Liquid food equipment Business





Offshore Engineering Business





- ➤ In 2019, the Group aims to achieve steady growth despite the severe economic situation.
- > will enhance the capacity in providing comprehensive logistics solutions.
- ➤ In line with the national "Belt and Road" strategy, the Group will rapidly complete its global network layout.
- will focus on digital construction to speed up digital transformation, construct the information platform and assist in the business upgrade
- > will focus on optimizing the asset structure and disposing of inefficient assets.

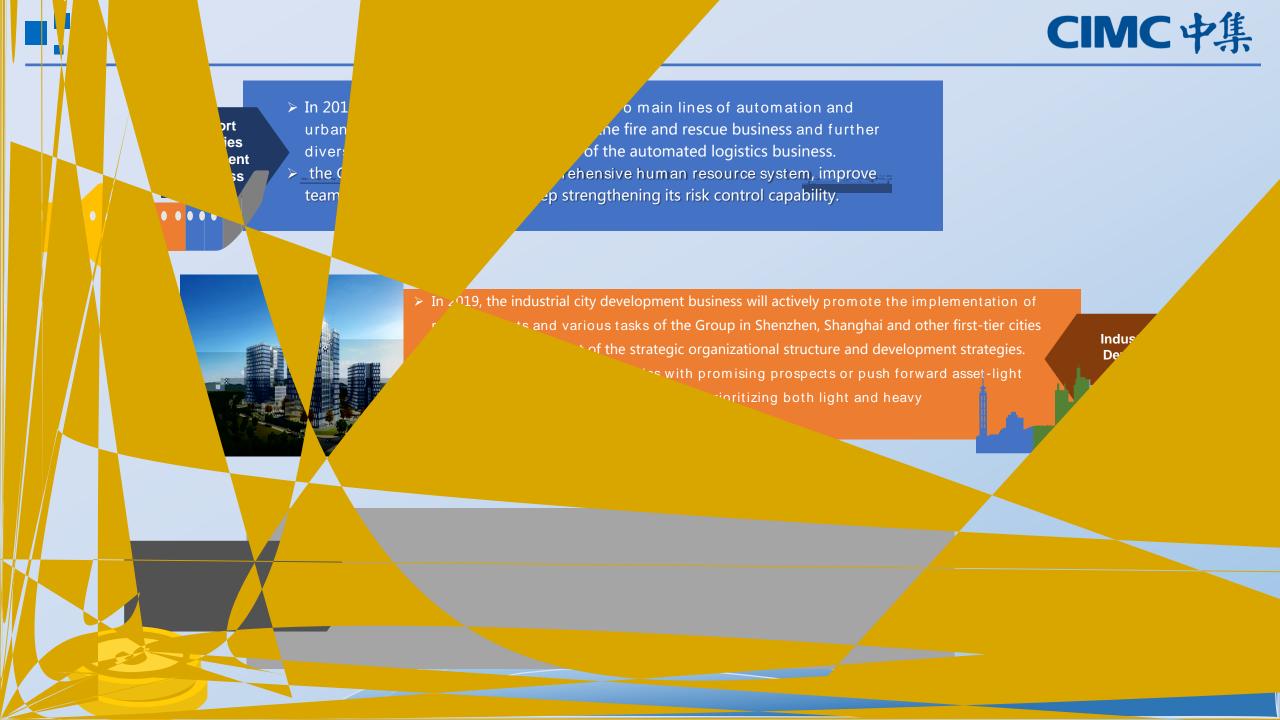
Logistics Services





- ➤ In 2019, C&C Trucks will fine-tune its management policy as orientation, risk prevention, scale priority and quality growth"
- > will be committed to increasingn--3(-n2.14 51.2 140.33 47 140.33 4en22()TET@M





Key Measures in 2019

