CIMC ENRIC

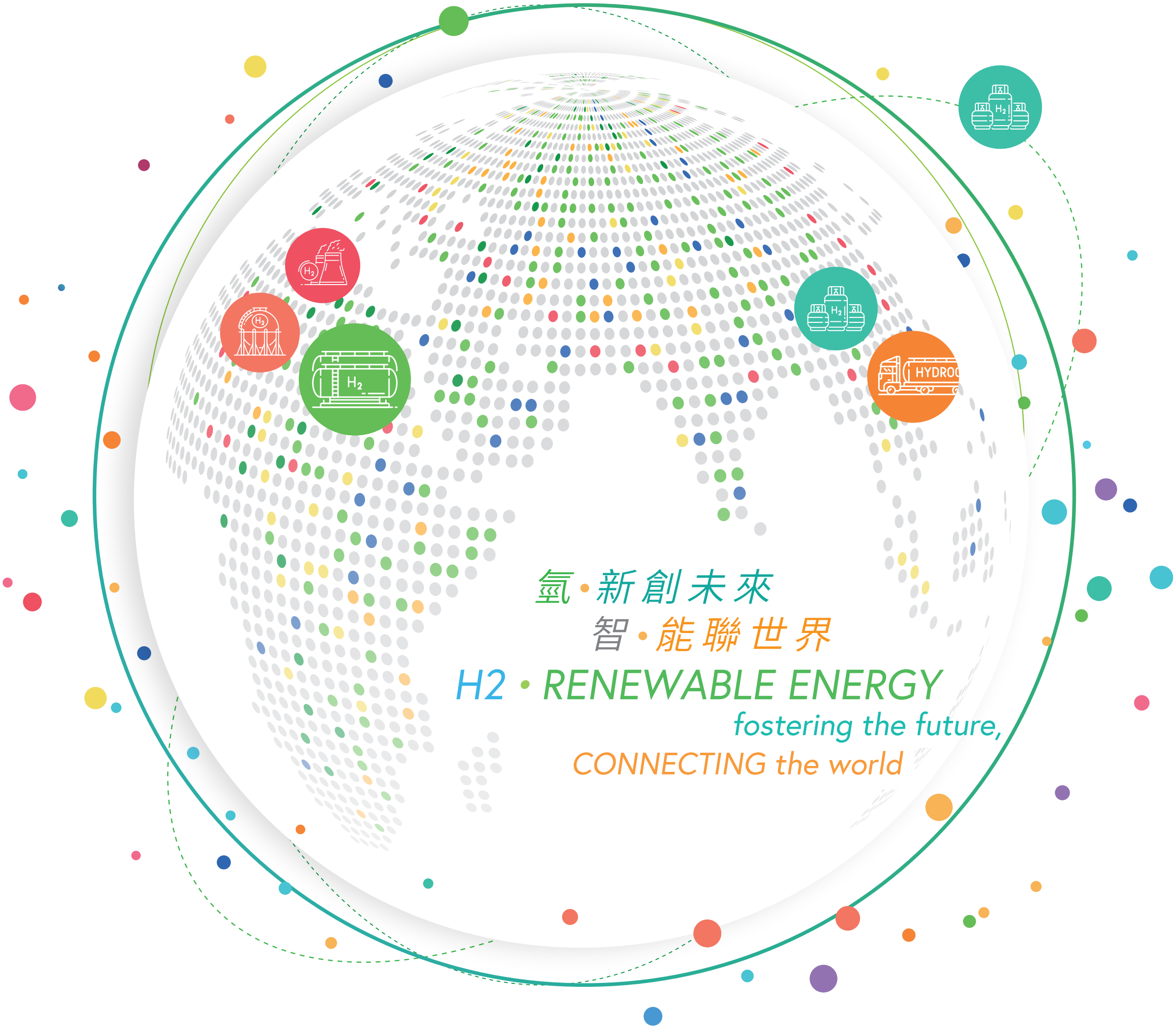
CIMC Enric Holdings Limited

中集安瑞科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：3899



Interim Report **2024** 中期報告

VISION

To be an industry-leading high-tech enterprise in clean energy, chemical and environmental, and liquid food industries.

MISSION

With the advancement technology and product innovation, we strive to make energy cleaner, the environment more sustainable, and our lives better. To provide high-quality and reliable equipment and comprehensive value-added services to customers, generate sound returns for shareholders and staff, and create sustainable value to the society.

ABOUT US

Founded in 2004, CIMC Enric Holdings Limited, one of the members of the CIMC Group, has been listed on the Hong Kong Stock Exchange since 2005. The Company is principally engaged in the provision of key equipment, engineering service and integrated solutions for transportation, storage and processing for the clean energy, chemical and environmental and liquid food sectors and has become a leading integrated business service provider and key equipment manufacturer in the industry. Its production and sales of ISO liquid tank containers and high-pressure transportation vehicles are among the top in the world, the market share of cryogenic transportation vehicles and cryogenic storage tanks is in the leading position in China, large storage tank for LNG receiving terminals and modular products for LNG refuelling stations and CNG refuelling stations have ranked among the top three in terms of market share in China while comprehensively deploying the hydrogen industry chain. The Company has built a global marketing network and has over 20 domestic and overseas subsidiaries located in China, the Netherlands, Germany, Belgium, the United Kingdom and Canada that operate production bases and advanced R&D centers.

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Financial Highlights

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	+/-
FINANCIAL POSITION			
Total assets	**29,679,098**	27,587,424	+7.6%
Net assets	**12,448,992**	12,373,644	+0.6%
Net current assets	**7,496,783**	7,098,033	+5.6%
Cash and cash equivalents	**7,246,810**	6,998,191	+3.6%
Interest bearing debts[1]	**3,078,491**	2,626,935	+17.2%
Gearing ratio[2]	**24.7%**	21.2%	+3.5ppt

	For the six months ended 30 June		
	2024 RMB'000	2023 RMB'000	+/-
OPERATING RESULTS			
Revenue	**11,479,938**	10,756,489	+6.7%
Gross profit	**1,635,940**	1,771,166	-7.6%
EBITDA	**914,074**	977,029	-6.4%
Profit from operations	**702,106**	751,497	-6.6%
Core profit[3]	**604,208**	625,944	-3.5%
Profit attributable to equity shareholders	**486,141**	568,673	-14.5%
PER SHARE DATA			
Earnings per share – Basic (RMB)	**0.241**	0.283	-14.8%
Earnings per share – Diluted (RMB)	**0.222**	0.252	-11.9%
Net asset value per share (RMB)	**6.138**	4.836	+26.9%
KEY STATISTICS			
GP ratio	**14.3%**	16.5%	-2.2ppt
EBITDA margin	**8.0%**	9.1%	-1.1ppt
Operating profit margin	**6.1%**	7.0%	-0.9ppt
Net profit margin [4]	**4.2%**	5.3%	-1.1ppt
Return on equity [5]	**4.4%**	6.1%	-1.7ppt
Interest coverage – times	**15.0**	26.9	-11.9
Cash conversion cycle days [6]	**36**	45	-9.0

Notes:

1 Interest bearing debts = Bank loans, loans from related parties, convertible bonds and medium-term notes

2 Gearing ratio = Interest bearing debts ÷ Total equity

3 Core profit *= Profit for the year + share-based incentive scheme expense + convertible bonds related imputed interest expenses

4 Net profit margin = Profit attributable to equity shareholders ÷ Revenue

5 Return on equity = Profit attributable to equity shareholders ÷ Average shareholders' equity

6 Cash conversion cycle days* = Inventory turnover days + Debtor turnover days + Contract assets turnover days – Creditor turnover days – Contract liabilities turnover days

* Core profit and cash conversion cycle days are non-HKFRS measures facilitating the evaluation of financial performance of the Group's core operations. Such non-HKFRS measures may be defined differently from similar terms used by other companies.

KPMG

To the board of directors
of CIMC Enric Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 4 to 36, which comprises the consolidated statement of financial position of CIMC Enric Holdings Limited (the "Company") as of 30 June 2024 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – unaudited
(Expressed in RMB)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	*4*	**11,479,938**	10,756,489
Cost of sales		**(9,843,998)**	(8,985,323)
Gross profit		**1,635,940**	1,771,166
Other operating income	*6(a)*	**225,585**	121,997
Other gains/(losses), net	*6(b)*	**43,286**	(51,940)
Impairment loss on financial assets and contract assets	*7(c)*	**(25,121)**	(12,966)
Selling expenses		**(223,952)**	(191,254)
Administrative expenses		**(953,632)**	(885,506)
Profit from operations		**702,106**	751,497
Finance costs	*7(a)*	**(48,066)**	(38,425)
Share of results of associates and a joint venture		**(3,355)**	17,246
Profit before taxation	*7*	**650,685**	730,318
Income tax	*8*	**(146,856)**	(160,286)
Profit for the period		**503,829**	570,032
Attributable to:			
Equity shareholders of the Company		**486,141**	568,673
Non-controlling interests		**17,688**	1,359
Profit for the period		**503,829**	570,032
Earnings per share	*9*		
– Basic		**RMB0.241**	RMB0.283
– Diluted		**RMB0.222**	RMB0.252

The notes on pages 12 to 36 form part of this interim financial report. Details of dividends payables of equity shareholders of the Company are set out in note19(d).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Profit for the period	**503,829**	570,032
Other comprehensive income (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	**(69,573)**	56,256
Other comprehensive income for the period	**(69,573)**	56,256
Total comprehensive income for the period	**434,256**	626,288
Attributable to:		
Equity shareholders of the Company	**415,963**	626,758
Non-controlling interests	**18,293**	(470)
Total comprehensive income for the period	**434,256**	626,288

The notes on pages 12 to 36 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024 – unaudited
(Expressed in RMB)

	Note	**At 30 June 2024 RMB'000**	At 31 December 2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	**4,027,022**	3,837,906
Construction in progress		**563,365**	606,581
Right-of-use assets	*11*	**139,578**	141,006
Investment properties		**36,815**	37,557
Lease prepayments	*11*	**620,658**	545,755
Intangible assets		**222,035**	217,461
Goodwill		**295,617**	293,714
Deferred tax assets		**230,932**	166,574
Interests in associates and a joint venture		**654,553**	623,862
Financial instruments at fair value through profit or loss		**10,745**	1,714
Total non-current assets		**6,801,320**	6,472,130
Current assets			
Inventories	*12*	**5,868,043**	4,776,509
Contract assets		**2,732,152**	2,237,236
Trade and bills receivables	*13*	**3,706,439**	3,660,256
Deposits, other receivables and prepayments		**2,393,096**	2,157,619
Amounts due from related parties	*22(c)*	**58,335**	66,438
Financial instruments at fair value through profit or loss		**18,657**	35,722
Term and restricted bank deposits	*14*	**854,246**	1,183,323
Cash and cash equivalents	*14*	**7,246,810**	6,998,191
Total current assets		**22,877,778**	21,115,294
Total assets		**29,679,098**	27,587,424

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Bank loans	*15*	**401,807**	385,038
Medium-term notes	*16*	**497,638**	–
Warranty provision		**182,352**	112,231
Deferred tax liabilities		**346,909**	257,786
Deferred income		**304,179**	310,748
Employee benefit liabilities		**4,634**	4,482
Lease liabilities		**111,592**	125,623
Financial instruments at fair value through profit or loss		**–**	611
Total non-current liabilities		**1,849,111**	1,196,519
Current liabilities			
Bank loans	*15*	**163,658**	93,500
Convertible bonds		**1,511,355**	1,452,871
Lease liabilities		**29,154**	25,908
Loans from related parties	*22(d)*	**504,033**	695,526
Trade and bills payables	*17*	**5,157,951**	4,441,204
Contract liabilities		**5,313,080**	4,442,324
Other payables and accrued expenses		**2,036,638**	2,069,149
Amounts due to related parties	*22(c)*	**447,025**	512,955
Warranty provision		**51,254**	66,579
Financial instruments at fair value through profit or loss		**81,798**	140,728
Income tax payable		**85,049**	76,517
Total current liabilities		**15,380,995**	14,017,261
Total liabilities		**17,230,106**	15,213,780
NET ASSETS		**12,448,992**	12,373,644

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
EQUITY			
Share capital		**18,521**	18,521
Reserves	*19*	**10,914,791**	11,213,731
Equity attributable to equity shareholders of the Company		**10,933,312**	11,232,252
Non-controlling interests		**1,515,680**	1,141,392
TOTAL EQUITY		**12,448,992**	12,373,644

The notes on pages 12 to 36 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – unaudited
(Expressed in RMB)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000 *(Note 18(c))*	Contributed surplus RMB'000 *(Note 19(b))*	Capital reserve RMB'000 *(Note 19(a))*	Exchange reserve RMB'000	General reserve fund RMB'000 *(Note 19(e))*	Retained earnings RMB'000	Convertible bonds reserve RMB'000 *(Note 19(c))*	Other reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023	18,521	620,580	(88,359)	1,124,571	1,593,017	(467,365)	639,486	5,567,083	123,944	10,289	9,141,767	385,740	9,527,507
Profit for the period	–	–	–	–	–	–	–	568,673	–	–	568,673	1,359	570,032
Exchange difference on translation of foreign operations	–	–	–	–	–	58,085	–	–	–	–	58,085	(1,829)	56,256
Total comprehensive income	–	–	–	–	–	58,085	–	568,673	–	–	626,758	(470)	626,288
Special reserve-safe production fund	–	–	–	–	–	–	–	–	–	5,840	5,840	–	5,840
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	19,444	19,444
Equity-settled share-based payments	–	42,448	36,230	–	(5,995)	–	–	1,541	–	–	74,224	220	74,444
2022 final dividend paid	–	–	–	–	–	–	–	(432,899)	–	–	(432,899)	–	(432,899)
Dividends distribution made by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(12,320)	(12,320)
Total contributions by and distributions to equity shareholders of the Company, recognised directly in equity	–	42,448	36,230	–	(5,995)	–	–	(431,358)	–	5,840	(352,835)	7,344	(345,491)
Balance at 30 June 2023	18,521	663,028	(52,129)	1,124,571	1,587,022	(409,280)	639,486	5,704,398	123,944	16,129	9,415,690	392,614	9,808,304

Consolidated Statement of Changes in Equity

	Attributable to equity shareholders of the Company												
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000 (Note 18(c))	Contributed surplus RMB'000 (Note 19(b))	Capital reserve RMB'000 (Note 19(a))	Exchange reserve RMB'000	General reserve fund RMB'000 (Note 19(e))	Retained earnings RMB'000	Convertible bonds reserve RMB'000 (Note 19(c))	Other reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024	18,521	663,116	(56,427)	1,124,571	2,913,026	(466,608)	746,546	6,146,159	123,944	19,404	11,232,252	1,141,392	12,373,644
Profit for the period	-	-	-	-	-	-	-	486,141	-	-	486,141	17,688	503,829
Exchange difference on translation of foreign operations	-	-	-	-	-	(70,178)	-	-	-	-	(70,178)	605	(69,573)
Total comprehensive income	-	-	-	-	-	(70,178)	-	486,141	-	-	415,963	18,293	434,256
Special reserve-safe production fund	-	-	-	-	-	-	-	-	-	15,617	15,617	-	15,617
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	20,960	20,960
Equity-settled share-based payments	-	41,846	40,068	-	(373,455)	-	-	124,525	-	-	(167,016)	383,742	216,726
Transfer to general reserve	-	-	-	-	-	-	3,904	(3,904)	-	-	-	-	-
2023 final dividend paid	-	-	-	-	-	-	-	(563,504)	-	-	(563,504)	-	(563,504)
Dividends distribution made by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(48,707)	(48,707)
Total contributions by and distributions to equity shareholders of the Company, recognised directly in equity	-	41,846	40,068	-	(373,455)	-	3,904	(442,883)	-	15,617	(714,903)	355,995	(358,908)
Balance at 30 June 2024	18,521	704,962	(16,359)	1,124,571	2,539,571	(536,786)	750,450	6,189,417	123,944	35,021	10,933,312	1,515,680	12,448,992

The notes on pages 12 to 36 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2024 RMB'000	2023 RMB'000
Operating activities			
Cash generated from operations		**710,194**	739,925
Income tax paid		**(93,382)**	(171,802)
Net cash generated from operating activities		**616,812**	568,123
Investing activities			
Payment for acquisition of property, plant and equipment and construction in progress		**(337,270)**	(244,464)
Payment for acquisition of intangible assets		**(15,660)**	(3,283)
Payment for investments in associates		**(39,375)**	(74,985)
Payment for acquisition of financial instrument through profit or loss		**(10,745)**	–
Proceeds from disposal of investment in an associate		**5,329**	–
Placement of term deposits		**(464,349)**	(640,935)
Withdrawal of term deposits		**733,977**	72,032
Proceeds from disposal of property, plant and equipment and lease prepayments		**6,621**	3,671
Interest received		**102,911**	35,560
Dividends from an associate		**–**	1,690
Cash paid for settlement of derivative financial instruments		**(121,413)**	(53,876)
Contingent consideration received from non-controlling interests		**–**	2,200
Net cash used in investing activities		**(139,974)**	(902,390)
Financing activities			
Proceeds from drawdown of bank loans		**116,936**	172,964
Repayment of bank loans		**(30,010)**	(180,870)
Interest paid		**(18,720)**	(15,474)
Proceeds from issuance of medium-term notes		**497,333**	–
Proceeds from subscription to restricted share award scheme		**42,849**	32,308
Purchase of shares for share award scheme		**(1,707)**	–
Dividends paid to non-controlling interests		**(48,707)**	(12,320)
Dividends paid to the Company's shareholders		**(563,504)**	(432,899)
Loans from related parties		**123,949**	627,200
Repayment of loans from related parties		**(315,442)**	(88,707)
Payment of lease liabilities		**(25,683)**	(20,719)
Capital contribution from non-controlling interests		**20,960**	19,444
Net cash (used in)/generated from financing activities		**(201,746)**	100,927
Net increase/(decrease) in cash and cash equivalents		**275,092**	(233,340)
Cash and cash equivalents at 1 January	*14*	**6,998,191**	5,223,453
Effect of foreign exchange rate changes		**(26,473)**	3,838
Cash and cash equivalents at 30 June	*14*	**7,246,810**	4,993,951

The notes on pages 12 to 36 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 General information

CIMC Enric Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the design, development, manufacturing, engineering, sales and operation of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the clean energy, chemical and environmental and liquid food industries.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands.

The Company has been listed on The Main Board of The Stock Exchange of Hong Kong Limited since 2006.

2 Accounting policies

(a) Basis of preparation of the interim financial report

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 22 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2(b).

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 3.

(b) Amended standards adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

The adoption of the amended standards does not have a material impact on the Group.

(c) New and amended standards not yet adopted

The following new and amended standards have been issued but are not effective for the financial period beginning 1 January 2024 and have not been early adopted:

	Effective for accounting periods beginning on or after
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
Amendments to HKFRS 10, Consolidated financial statements and HKAS 28, *Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 Fair value measurement of financial instruments

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards.

The different levels of fair value estimation have been defined as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value as at 30 June 2024 and 31 December 2023 on a recurring basis:

	As at 30 June 2024		As at 31 December 2023	
	Level 2	Level 3	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
– Fair value through profit or loss ("FVPL") – foreign currency forwards	953	–	19,732	–
– FVPL – contingent considerations	–	17,704	–	17,704
– FVPL – investment in private fund	–	10,745	–	–
– Fair value through other comprehensive income ("FVOCI") – bills receivables	–	279,170	–	292,804
Financial liability				
– FVPL – foreign currency forwards	33,758	–	93,299	–
– FVPL – contingent liabilities	–	48,040	–	48,040

As at 30 June 2024 and 31 December 2023, the Group's financial instruments measured at fair value were investment in private fund, bills receivables and contingent considerations which were classified as level 3. These instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques.

The following table presents the changes of the Group's financial assets of level 3 within the fair value hierarchy for the six months ended 30 June 2024 and the year ended 31 December 2023:

	Bills receivables RMB'000	Contingent considerations receivable RMB'000	Investment in private fund RMB'000	Total RMB'000
As at 1 January 2023	220,474	15,628	–	236,102
Additions	3,446,781	–	–	3,446,781
Disposals/settlements	(3,374,451)	–	–	(3,374,451)
Contingent consideration received from non-controlling interests	–	(9,088)	–	(9,088)
Fair value change recognised in profit or loss	–	11,164	–	11,164
As at 31 December 2023	292,804	17,704	–	310,508
As at 1 January 2024	**292,804**	**17,704**	**–**	**310,508**
Additions	**1,388,630**	**–**	**10,745**	**1,399,375**
Disposals/settlements	**(1,402,264)**	**–**	**–**	**(1,402,264)**
As at 30 June 2024	**279,170**	**17,704**	**10,745**	**307,619**

The following table presents the changes of the Group's financial liabilities of level 3 within the fair value hierarchy for the six months ended 30 June 2024 and the year ended 31 December 2023:

	Contingent considerations payable RMB'000
At 1 January 2023	–
Additions through acquisitions of subsidiaries	48,040
At 31 December 2023 and 30 June 2024	**48,040**

There were no transfers between Levels 1, 2 and 3 during the six months ended 30 June 2024.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2024 and 31 December 2023.

(b) Valuation techniques used to determine fair value

Level 2 financial instruments comprise forward foreign exchange contracts. The fair value of these financial instruments determined using forward exchange rates at the reporting day and quoted redemption prices from the banks issued the products respectively.

Level 3 financial instruments comprise investment in private funds, bills receivables, contingent considerations receivable and contingent considerations payable. The fair value of investment in private funds is estimated based on present value of expected return from the funds. Bills receivables were fair valued by using future cash inflow with discount. The contingent considerations receivable and contingent considerations payable were estimated based on the value of probable future cash outflow or inflow with discount.

There were no other changes in valuation techniques during the six months ended 30 June 2024 and the year ended 31 December 2023.

(c) Fair value of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different from their carrying amounts, since they are either close to current market rates or short-term in nature.

4 Revenue

The Group is principally engaged in the design, development, manufacturing, engineering, sales and operation of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the clean energy, chemical and environmental and liquid food industries.

Revenue represents (i) the sales value of goods sold after allowances for returns of goods, excluding value added taxes or other sales taxes and after the deduction of any trade discounts; and (ii) revenue from project engineering contracts. Revenue recognised in the consolidated statement of profit or loss are from contracts with customers that are within the Scope of HKFRS 15. The amount of each significant category of revenue recognised in revenue during the six months ended 30 June 2024 is as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Sales of goods	**7,980,595**	7,446,467
Revenue from project engineering contracts	**3,499,343**	3,310,022
	11,479,938	10,756,489

5 Segment reporting

The Group manages its businesses by divisions organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, which is the Group's chief operating decision-maker, for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments based on the economic characteristic of the business units.

- Clean energy: this segment specialises in the manufacture and sale of a wide range of equipment and construction for the storage, transportation, application, processing and distribution of natural gas, liquefied petroleum gas ("LPG") and hydrogen such as compressed natural gas and hydrogen trailers, seamless pressure cylinders, liquefied natural gas ("LNG") trailers, LNG and hydrogen storage tanks, LPG tanks, LPG trailers, natural gas and hydrogen refuelling station systems and natural gas compressors; and the provision of engineering, procurement and construction services for the natural gas and hydrogen industries; the design, production and sale of small and medium-sized offshore liquefied gas carriers; natural gas and hydrogen processing and distribution services and the provision of value-added services for the clean energy industry.

- Chemical and environmental: this segment specialises in the manufacture and sale of a wide range of equipment, such as tank containers, for the storage and transportation of liquefied or gaseous chemicals and powder chemicals; the provision of maintenance and value-added services for tank containers; and explores business in environmental protection.

- Liquid food: this segment specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing liquid food such as beer, distilled spirits, fruit juice and milk; the provision of turnkey service for the brewery industry as well as other liquid food industries; and the provision of peripheral logistics service.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets with the exception of deferred tax assets and certain assets unallocated to an individual reportable segment. Segment liabilities include non-current liabilities and current liabilities with the exception of income tax payable, deferred tax liabilities, convertible bonds, medium-term notes and certain liabilities unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit from operations". To arrive at the Group's profits, the reporting segments' adjusted profits from operations are further adjusted for items not specifically attributed to an individual reportable segment, such as finance costs, share of results of associates and a joint venture, directors' remuneration, auditors' remuneration and other head office or corporate administrative expenses.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Clean energy		Chemical and environmental		Liquid food		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Revenue from external customers	7,876,340	6,293,551	1,296,698	2,450,832	2,306,900	2,012,106	11,479,938	10,756,489
Inter-segment revenue	91	–	25,690	21,498	–	–	25,781	21,498
Reportable segment revenue	7,876,431	6,293,551	1,322,388	2,472,330	2,306,900	2,012,106	11,505,719	10,777,987
Timing of revenue recognition								
At a point in time	6,253,749	4,928,653	1,322,388	2,472,330	430,239	105,471	8,006,376	7,506,454
Over time	1,622,682	1,364,898	–	–	1,876,661	1,906,635	3,499,343	3,271,533
Reportable segment profit (adjusted profit from operations)	431,347	186,679	134,826	421,952	168,807	224,169	734,980	832,800

	Clean energy		Chemical and environmental		Liquid food		Total	
	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Reportable segment assets	17,484,851	15,176,516	5,359,746	5,548,587	4,759,682	4,633,142	27,604,279	25,358,245
Reportable segment liabilities	10,848,278	9,391,170	874,035	905,358	2,188,065	2,117,627	13,910,378	12,414,155

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue		
Reportable segment revenue	**11,505,719**	10,777,987
Elimination of inter-segment revenue	**(25,781)**	(21,498)
Consolidated revenue	**11,479,938**	10,756,489

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Profit		
Reportable segment profit	**734,980**	832,800
Elimination of inter-segment profit	**(356)**	(4,047)
Reportable segment profit derived from Group's external customers	**734,624**	828,753
Finance costs	**(48,066)**	(38,425)
Share of results of associates and a joint venture	**(3,355)**	17,246
Unallocated operating expenses	**(32,518)**	(77,256)
Consolidated profit before taxation	**650,685**	730,318

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Assets		
Reportable segment assets	**27,604,279**	25,358,245
Elimination of inter-segment receivables	**(14,728)**	(9,422)
	27,589,551	25,348,823
Deferred tax assets	**230,932**	166,574
Unallocated assets	**1,858,615**	2,072,027
Consolidated total assets	**29,679,098**	27,587,424

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Liabilities		
Reportable segment liabilities	13,910,378	12,414,155
Elimination of inter-segment payables	(14,728)	(9,422)
	13,895,650	12,404,733
Income tax payable	85,049	76,517
Deferred tax liabilities	346,909	257,786
Convertible bonds	1,511,355	1,452,871
Medium-term notes	497,638	–
Unallocated liabilities	893,505	1,021,873
Consolidated total liabilities	17,230,106	15,213,780

There are no differences from the last annual financial statements in the basis of measurement of segment profit or loss.

6 Other operating income and other gains/(losses), net

(a) Other operating income

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Government grants (i)	41,398	30,032
Other operating revenue (ii)	78,989	48,286
Interest income from bank deposits	105,198	43,679
	225,585	121,997

(i) Government grants represent various forms of incentives and subsidies given to the Company's subsidiaries by the Chinese government and the recognition of deferred government grants.

(ii) Other operating revenue consists mainly of income earned from the sale of scrap materials and provision of repair work and subcontracting service.

(b) Other gains/(losses), net

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Foreign exchange gain	**34,300**	107,285
Net fair value loss on financial instruments at fair value through profit or loss	**(80,650)**	(171,719)
Write-off of payables and advances from customers	**82,127**	572
Net losses on disposal of property, plant and equipment, intangible assets and lease prepayments	**(2,355)**	(3,184)
Compensation received	**1,916**	9,979
Gain on disposal of investment in an associate	**5,354**	–
Other net gain	**2,594**	5,127
	43,286	(51,940)

7 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest on bank loans, loans from related parties, medium-term notes and other borrowings	**21,522**	13,056
Interest on lease liabilities	**2,797**	3,022
Interest on convertible bonds	**21,949**	20,293
Less: interest capitalised	**(2,406)**	(1,355)
Bank charges	**4,204**	3,409
	48,066	38,425

(b) Other items

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cost of inventories	**6,873,187**	6,272,032
Cost from project engineering contracts	**2,970,811**	2,713,291
Salaries, wages and allowances	**1,200,234**	1,086,925
Contributions to retirement schemes	**81,346**	67,389
Depreciation of property, plant and equipment	**175,841**	170,017
Depreciation of right-of-use assets	**13,159**	18,752
Amortisation of intangible assets	**22,593**	14,004
Amortisation of lease prepayments	**7,934**	7,402
Operating lease charges for property rental	**9,299**	5,131
Provision for product warranties	**28,959**	21,155
(Reversal of provision)/write-down of inventories	**(280)**	24,432
Equity-settled share-based payment expenses	**78,430**	35,619

For the six months ended 30 June 2024, research and development costs totalled RMB331,133,000 (30 June 2023: RMB318,820,000).

(c) Impairment loss on financial and contract assets

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Impairment provision for trade receivables	**47,412**	48,722
Reversal of impairment provision for trade receivables	**(24,050)**	(40,244)
(Reversal of)/impairment provision for other receivables	**(612)**	385
Impairment provision for contract assets	**8,886**	4,988
Reversal of impairment provision for contract assets	**(6,515)**	(885)
	25,121	12,966

8 Income tax

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax	**122,091**	178,409
Deferred income tax	**24,765**	(18,123)
	146,856	160,286

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the period.

According to the Corporate Income Tax Law of China (the "Tax Law"), the Company's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to advanced and new technology enterprises of 15%.

Pursuant to the Tax Law, "Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management" and "Announcement of the State Administration of Taxation on Issues Concerning the Determination of Resident Enterprises on the Basis of Their Actual Management Bodies", the Administration of Local Taxation of Shenzhen Municipality issued an approval under which the Company and all the foreign incorporated subsidiaries with shareholdings in Chinese subsidiaries of the Group are regarded as Chinese resident enterprises. Therefore, during the period, no withholding tax liability was provided for the distributable profits of Chinese subsidiaries.

Taxation of subsidiaries in the Netherlands, Belgium, Denmark, Germany, United Kingdom, Canada, United States and Singapore are charged at the prevailing rates of 26%, 25%, 22%, 29%, 25%, 31%, 21% and 17% respectively in the relevant countries and are calculated on a stand-alone basis.

The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The Pillar Two income tax are levied on certain subsidiaries under the local new tax laws which introduced a domestic minimum top-up tax effective from 1 January 2024.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

This new tax policy did not have a material impact on the interim financial report of the Group for the six months ended 30 June 2024.

9 Earnings per share

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company is based on the following data:

	Six months ended 30 June	
	2024 **RMB'000**	2023 RMB'000
Earnings		
Earnings for the purposes of basic earnings per share	**486,141**	568,673
Earnings for the purposes of diluted earnings per share	**482,480**	543,477

	Six months ended 30 June 2024	Six months ended 30 June 2023
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,017,931,916**	2,006,925,926
Effect of dilutive potential ordinary shares in respect of convertible bonds and the Company's share option and share award schemes	**152,744,454**	147,772,871
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,170,676,370**	2,154,698,797

	Six months ended 30 June 2024 RMB	Six months ended 30 June 2023 RMB
Earnings per share		
Basic earnings per share	**0.241**	0.283
Diluted earnings per share	**0.222**	0.252

10 Property, plant and equipment

During the six months ended 30 June 2024, the addition of property, plant and equipment (including transfer from construction in progress) of the Group amounted to RMB399,677,000 (six months ended 30 June 2023: RMB142,421,000). As at 30 June 2024, no property, plant and equipment was pledged as collateral for the Group's borrowings (31 December 2023: nil).

11 Right-of-use assets

	Six months ended 30 June 2024 RMB'000	Six months ended 30 June 2023 RMB'000
Opening net book value	**141,006**	140,139
Additions	**14,264**	20,210
Depreciation	**(13,159)**	(18,752)
Disposal	**(3,302)**	(2,484)
Exchange adjustment	**769**	4,430
Closing net book value	**139,578**	143,543

As at 30 June 2024, lease prepayments of RMB620,658,000 (31 December 2023: RMB545,755,000), while also satisfy the definition of right-of-use assets, are shown separately in the consolidated statement of financial position.

12 Inventories

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Raw materials	**1,414,061**	1,500,527
Work in progress	**3,179,509**	1,519,535
Finished goods	**1,055,406**	1,494,377
Consignment materials	**219,067**	262,070
	5,868,043	4,776,509

13 Trade and bills receivables

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Trade receivables	**3,504,820**	3,549,837
Less: allowance for doubtful debts	**(268,570)**	(267,366)
	3,236,250	3,282,471
Bills receivables (i)	**470,189**	377,785
	3,706,439	3,660,256

(i) As at 30 June 2024, amounts of RMB279,170,000 (31 December 2023: RMB292,804,000) represent bank acceptance bills classified as financial assets at FVOCI, which the Group intended to hold until maturity or to discount or endorse to financial institutions for treasury management purposes. RMB94,277,000 and RMB96,742,000 (31 December 2023: RMB39,683,000 and RMB45,298,000) represent trade acceptance bills and bank acceptance bills, respectively, classified as financial assets at amortised cost, which the Group has intended to hold until maturity.

(ii) As at 30 June 2024, amounts of RMB70,013,000 and RMB2,702,000 (31 December 2023: RMB23,094,000 and RMB6,903,000) represent bank acceptance bills and trade acceptance bills, respectively, which the Group had endorsed to financial institutions but they did not meet the criteria of derecognition. As a result, these two amounts remained on-book in the financial statements.

(iii) An ageing analysis of trade and bills receivables based on due date (net of impairment losses for bad and doubtful debts) is as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Current	**3,078,191**	3,021,998
Less than 3 months past due	**357,783**	337,288
More than 3 months but less than 12 months past due	**205,711**	239,681
More than 1 year but less than 2 years past due	**46,314**	33,243
More than 2 years but less than 3 years past due	**13,082**	24,084
More than 3 years due but less than 5 years past due	**5,358**	3,962
Amounts past due	**628,248**	638,258
	3,706,439	3,660,256

14 Term and restricted bank deposits and cash and cash equivalents

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Term deposits	**483,201**	612,990
Deposits for performance guarantees	**371,045**	570,333
Term and restricted bank deposits	**854,246**	1,183,323
Cash in hand and demand deposits	**7,246,810**	6,998,191
	8,101,056	8,181,514

15 Bank loans

The bank loans were repayable as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Within 1 year	**163,658**	93,500
After 1 year but within 2 years	**40,000**	118,538
After 2 years but within 5 years	**221,807**	164,700
After 5 years	**140,000**	101,800
	565,465	478,538

At 30 June 2024 and 31 December 2023, all the bank loans were unsecured. None of the Group's bank loans were under the terms of cross-guarantee provided by subsidiaries of the Company.

16 Medium-term notes

On 24 April 2024, the Company issued medium-term notes with a principal amount of RMB500,000,000 which will mature three years from date of issue. The medium-term notes bear interest at 2.43% per annum and payable annually.

17 Trade and bills payables

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Trade creditors	**4,400,987**	3,801,102
Bills payables	**756,964**	640,102
	5,157,951	4,441,204

An ageing analysis of trade and bills payables of the Group, based on the invoice date, is as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Within 3 months	**3,876,565**	3,429,315
3 months to 12 months	**948,608**	697,272
Over 12 months	**332,778**	314,617
	5,157,951	4,441,204

All the trade and bills payables are expected to be settled within one year.

18 Equity-settled share-based payments

(a) Share option scheme

The Company had a share option scheme ("Scheme I") which was adopted on 12 July 2006 whereby the Directors of the Company are authorised, at their discretion, to invite eligible persons to subscribe for shares of the Company. A consideration of HKD1.00 should be paid by grantee on acceptance of share options granted. Each option gives the holder the right to subscribe for one ordinary share in the Company at its exercise price. Scheme I expired on 11 July 2016 and the Company has adopted a new share option scheme ("Scheme II") on 20 May 2016. Scheme II lasts for 10 years.

On 5 June 2014, 38,420,000 share options were granted to certain eligible persons of the Group. All these options were lapsed on 4 June 2024. On 21 November 2023, 39,500,000 share options were granted to certain eligible persons of the Group. The options outstanding at 30 June 2024 had an exercise price of HKD7.05 (31 December 2023: HKD8.81) and a weighted average remaining contractual life of 9.40 (31 December 2023: 5.92) years. As at 30 June 2024, 39,500,000 (31 December 2023: 68,241,000) of these options were outstanding and exercisable. The expenses arising from the share option scheme recognised during the period were RMB20,644,000 (six months ended 30 June 2023: nil).

(b) Share award scheme 2020

The Board of the Company adopted the Share Award Scheme 2020 (the "Award Scheme 2020") on 3 April 2020. According to the Award Scheme 2020, the Board may at its absolute discretion select any employee of the Group to be an eligible participant under the Scheme. The Board may also determine the number of shares to be granted (subject to fulfilment of any vesting conditions) and the consideration (if any) to be paid by an eligible participant. The Board has appointed a trustee to purchase shares of the Company on the Stock Exchange out of the Company's resources. The trustee shall hold such shares in accordance with the terms of the trust deed and shall transfer such shares to the relevant participants after all the relevant vesting conditions are fulfilled.

As at 30 June 2024, the trustee had accumulatively purchased 40,198,000 shares (31 December 2022: 39,898,000 shares) of the Company under the Award Scheme 2020.

On 17 November 2021, the Company granted 33,324,006 shares to selected participants under the Award Scheme 2020. In addition, during the year ended 31 December 2022, a total of 2,991,708 shares were granted to selected participants. During the year ended 31 December 2023, a total of 2,544,730 shares were granted to selected participants. During the six months ended 30 June 2024, a total of 64,000 shares were granted to selected participants. The granted shares are held by the trustee on behalf of the selected participants until the grant shares are vested. Selected participants are entitled to the related distribution derived from the relevant granted shares during the period from the date of the issue of the grant shares to the vesting date (both dates inclusive) of such granted shares, which shall however only be vested by the relevant selected participant on the vesting date subject to fulfilment of the vesting conditions.

The selected participants include certain Directors of the Company, certain members of senior management and employees of the Group who under the terms of the Award Scheme 2020 subscribed for the grant shares at HKD3.70 per share (the "Subscription Price").

Details of the Share Award Scheme 2020 at the date of grants are as follows:

Grant date	Number of awarded shares	Vesting period	Subscription price	Fair value at grant date
17/11/2021	33,324,006	35.8%, 32.2% and 32.0% by April 2022, April 2023 and April 2024, respectively	HKD3.70	HKD7.45
26/5/2022	65,000	26 May 2022	HKD3.70	HKD7.03
14/7/2022	300,000	14 July 2022	HKD3.70	HKD7.03
7/12/2022	2,626,708	71.9% and 28.1% by April 2023 and April 2024, respectively	HKD3.70	HKD7.03
3/4/2023	125,000	20% by April 2023 and 80% by April 2024	HKD3.70	HKD7.68
13/11/2023	2,419,730	April 2024	HKD3.70	HKD6.61
26/3/2024	64,000	April 2024	HKD3.70	HKD7.16

For selected participants who do not meet the vesting conditions, the unvested granted shares remaining at the end of the Award Scheme 2020 are to be forfeited.

As at 30 June 2024, 3,879,723 (31 December 2023: 12,582,732) of these restricted shares were outstanding.

The fair value of the granted restricted shares issued was assessed based on the market price of the Company's shares at grant date. The expected dividends and time value of money for expected dividends during the vesting period were taken into account when assessing the fair value of the granted restricted shares.

The expenses arising from the Award Scheme 2020 recognised during the for the six months ended 30 June 2024 were RMB9,133,000 (six months ended 30 June 2023: RMB14,243,000).

(c) Share incentive scheme of CIMC Safeway Technologies Co., Ltd. ("CIMC Safeway")

The Board of the Company approved the adoption of a share award scheme of a subsidiary, CIMC Safeway (or the "CIMC Safeway Award Scheme"), on 27 November 2020 to recognise past contributions and to incentivise future contributions by the participants to the chemical and environmental business unit. Pursuant to the CIMC Safeway Award Scheme, equity interests in CIMC Safeway were granted to the participants through partnership platforms (the "Partnership Platforms") by way of subscribing for new share capital in CIMC Safeway.

The total capital contribution by the participants (through the partnership platforms) are approximately RMB97,134,000 (31 December 2023: RMB97,134,000, representing 10% of the enlarged share capital of CIMC Safeway upon completion of the capital increase pursuant to the scheme. As at 30 June 2024 and 31 December 2023, the vesting conditions are not fulfilled and the selected participants were not entitled any distribution of CIMC Safeway. The expenses for the CIMC Safeway Award Scheme recognised during for the six months ended 30 June 2024 were RMB9,972,000 (six months ended 30 June 2023: RMB9,972,000).

(d) Share incentive scheme of CIMC Liquid Process Technologies Co., Ltd. ("CLPT")

The Board of the Company adopted a share award scheme of a subsidiary, CLPT (or the "CLPT Award Scheme"), on 8 June 2022 to recognise past contributions and to incentivise future contributions by the participants to the liquid food business unit.

Pursuant to the scheme, equity interest in CLPT were granted to the participants through the partnership platforms by way of subscribing for new share capital in CLPT.

The total capital contribution by the participants (through the partnership platforms) was approximately RMB82,934,000 (31 December 2023: RMB82,934,000), representing 6.33% of the enlarged share capital of CLPT upon completion of the capital increase pursuant to the scheme. As at 30 June 2024 and 31 December 2023, the vesting conditions are not fulfilled and the selected participants were not entitled any distribution of CLPT. The expenses for the CLPT Award Scheme recognised during for the six months ended 30 June 2024 were RMB38,681,000 (six months ended 30 June 2023: RMB11,404,000).

19 Capital, reserves and dividends

(a) Capital reserve

The capital reserve of the Group includes:

(i) the portion of the grant date fair value of unexercised share options and restricted award shares granted to Directors, employees and other eligible persons of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments;

(ii) the capital reserve arising from the transactions with non-controlling interests; and

(iii) the capital reserve arising from conversion of a subsidiary from a limit liability company into a joint stock company.

(b) Contributed surplus

The contributed surplus of the Group includes the difference between:

(i) the nominal value of the share capital and the existing balance on the share premium account of a subsidiary acquired; and the nominal value of the shares issued by the Company in exchange under a reorganisation of the Group during the year ended 31 December 2005;

(ii) the nominal value of the share capital and the existing balance on the share premium account of the subsidiaries acquired; and the nominal value of the shares issued by the Company in exchange for the acquisition of certain subsidiaries during the year ended 31 December 2009;

(iii) the registered capital of Nantong CIMC Transportation & Storage Equipment Co., Ltd. (currently known as Nantong CIMC Energy Equipment Co, Ltd., "Nantong Energy") acquired of RMB69,945,550; and the aggregate cash consideration paid by the Group of RMB66,330,000 for the acquisition of Nantong Energy during the year ended 31 December 2012;

(iv) the registered capital of Holvrieka (China) Co., Ltd. (currently known as CLPT) acquired of RMB324,539,380; and the nominal value of the 39,740,566 ordinary shares issued by the Company in exchange for the acquisition of CLPT during the year ended 31 December 2014; and

(v) the nominal value of the share capital of Burg Service B.V. acquired of RMB1,263,000; and the aggregate cash consideration paid by the Group of RMB11,737,000 for the acquisition of Burg Service B.V. during the year ended 31 December 2015.

(c) Convertible bonds reserve

The convertible bonds reserve of RMB123,944,000 arising the equity component from issue of convertible bonds.

(d) Dividends

Final dividend of RMB563,504,000 in relation to the year ended 31 December 2023 was paid in 2024 (final dividend of RMB432,899,000 in relation to the year ended 31 December 2022 was paid in 2023).

The Board of Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

(e) General reserve fund

The Group's subsidiaries in the PRC are required to transfer 10% of their net profits, as determined in accordance with PRC accounting rules and regulations, to the general reserve fund until the balance reaches 50% of the registered capital. The general reserve fund can be used for the subsidiaries' working capital purposes and to make up for previous years' losses, if any. This fund can also be used to increase capital of the subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distributing dividends to the Company.

The Group's subsidiary in Belgium is required to set up a legal reserve of 10% of share capital in accordance with the Belgium Law. The legal reserve is not distributable.

20 Commitments

(a) Capital commitments outstanding and not provided for in the interim financial report are as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Contracted for		
– Production facilities	**184,201**	347,159

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Within 1 year	**24,083**	–

21 Contingencies

(a) Performance guarantees

As at 30 June 2024, the Group had outstanding procurement performance guarantees issued by relevant banks totalling RMB6,006,245,000 (31 December 2023: RMB3,328,102,000), project execution guarantees totalling RMB537,873,000 (31 December 2023: RMB496,645,000), warranty guarantees totalling RMB110,360,000 (31 December 2023: RMB96,045,000) and miscellaneous guarantees totalling RMB15,274,000 (31 December 2023: RMB16,626,000).

22 Related party transactions

(a) Transactions with China International Marine Containers (Group) Co., Ltd. ("CIMC") and its subsidiaries and associates

		Six months ended 30 June	
	Note	**2024 RMB'000**	2023 RMB'000
Nature of transactions			
Sales	*(i)*	**143,755**	145,704
Purchases	*(ii)*	**176,369**	295,497
Comprehensive charges	*(iii)*	**3,088**	114
Processing charges	*(iv)*	**3,847**	8,290
Processing income	*(v)*	**318**	267
Office services income	*(vi)*	**51**	307
Loans from related parties	*(vii)*	**123,949**	627,200
Repayment of loans from related parties	*(vii)*	**306,027**	88,707
Loan interest expenses	*(vii)*	**3,430**	3,800
Interest income from deposits	*(viii)*	**2,830**	3,655
Rental expenses	*(ix)*	**2,110**	1,736

(i) Sales mainly represent the sale of products to related parties.

(ii) Purchases mainly represent purchases of raw materials and parts from related parties for production.

(iii) Comprehensive charges mainly represent services including staff messing, medical expenses and general services provided to the Group by related parties.

(iv) Processing charges mainly represent processing services, site leasing and other related services provided to the Group by related parties.

(v) Processing income mainly represents processing services of welding, heat treatment and testing provided to related parties by the Group.

(vi) Office services income mainly represents provision of office services including staff catering, transportation services, site leasing and general office services to related parties.

(vii) The loans are unsecured, interest bearing from 2.89% to 4.75% (31 December 2023: 2.95% to 4.75%) per annum and are repayable between one year.

(viii) Deposit service represents deposit acceptance service provided by a related party to the Group. The amount represents the maximum daily outstanding balance of the Group's deposits placed with the related party. The deposits bear interest from 0.55% to 2.00% (31 December 2023: 0.55% to 1.35%) and can be withdrawn on demand.

(ix) Rental expenses mainly represent expenses on lease of office and building from related parties.

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

(b) Transactions with the Group's associate and joint venture

	Note	**2024 RMB'000**	2023 RMB'000
Nature of transactions			
Sales	*(i)*	**26,202**	19,472
Purchases	*(ii)*	**201,634**	271,069

(i) Sales mainly represent the sale of products to a joint venture.

(ii) Purchases mainly represent purchases of materials from an associate.

(c) Amounts due from/(to) related parties

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Trade receivables for products sold and other receivables (i)	**58,335**	66,438
Trade payables for raw material purchased and receipts in advance for sales (i)	**(447,025)**	(512,955)

(i) The outstanding balances with these related parties are unsecured, interest free and repayable on demand.

(d) Loans from related parties

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Loans from CIMC Finance Company Ltd. ("CIMC Finance")	**50,731**	232,861
Loan from CIMC	**453,302**	453,665
Loan from CIMC Eco Building Technology (Lian Yun Gang) Co., Ltd's non-controlling interests	**–**	9,000
Total	**504,033**	695,526

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Loans from related parties – Current	**504,033**	695,526

The loans are unsecured, interest bearing from 2.89% to 4.75% (31 December 2023: 2.95% to 4.75%) per annum and are repayable within one year.

(e) Deposits placed with CIMC Finance

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Deposits	**656,744**	632,082

(i) The deposits bear interest and can be withdrawn on demand.

(ii) The deposits are included as part of the Group's cash and cash equivalents (note 14).

(f) Immediate and ultimate controlling party

As at 30 June 2024 and 30 June 2023, the Directors consider the immediate parent of the Company to be China International Marine Containers (Hong Kong) Limited, which is incorporated in Hong Kong. This entity does not produce financial statements available for public use.

As at 30 June 2024 and 30 June 2023, the Directors consider the ultimate controlling party of the Company to be CIMC. which is incorporated in the PRC. This entity produces financial statements available for public use.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial and operational data highlights of the Group for the period together with the comparative figures for the corresponding period last year are as follows:

	Six months ended 30 June		Change
	2024 (unaudited)	2023 (unaudited)	%
Key financial data			
Revenue *(RMB'000)*	**11,479,938**	10,756,489	6.7%
—Clean energy segment	**7,876,340**	6,293,551	25.1%
—Chemical and environmental segment	**1,296,698**	2,450,832	(47.1%)
—Liquid food segment	**2,306,900**	2,012,106	14.7%
Gross profit *(RMB'000)*	**1,635,940**	1,771,166	(7.6%)
Net profit *(RMB'000)*	**503,829**	570,032	(11.6%)
Profit attributable to shareholders *(RMB'000)*	**486,141**	568,673	(14.5%)
Core profit* *(RMB'000)*	**604,208**	625,944	(3.5%)
Basic earnings per share *(RMB)*	**0.241**	0.283	(14.8%)

* Core profit[1] – Profit for the six months ended 30 June but stripping out share-based incentive scheme expenses and convertible bonds related imputed interest expenses

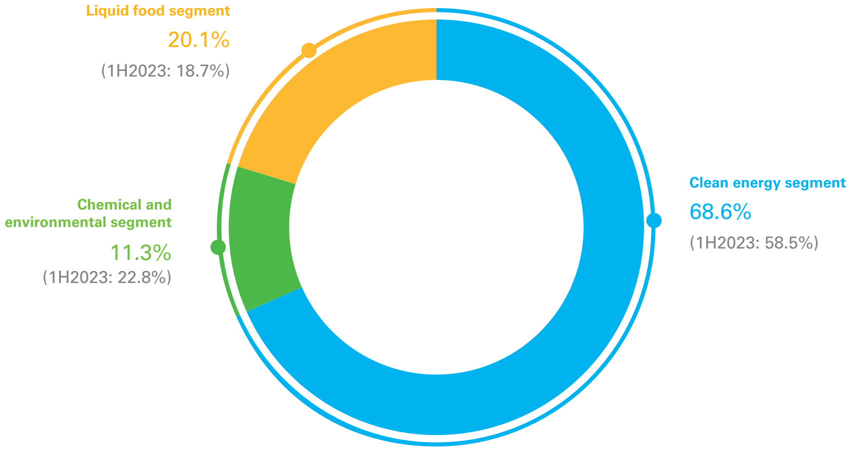
[1] Core profit is a non-HKFRS measure facilitating the evaluation of financial performance of the Group's core operations. Such a non-HKFRS measure may be defined differently from similar terms used by other companies.

FINANCIAL REVIEW

Revenue

During the first half of 2024, favourable factors such as the recovery of domestic natural gas consumption, recovery of the Chinese economy and favourable government policies stimulated the Group's clean energy and liquid food segments to grow steadily during the period. At the same time, the slowdown in demand for tank containers has negatively impacted our chemical and environmental segment. As a result, the Group's consolidated revenue for the first half of 2024 rose by 6.7% to RMB11,479,938,000 (corresponding period in 2023: RMB10,756,489,000). The performance of each segment is discussed below.

Revenue breakdown by segment



With the continuous tightening of the country's requirements for environmental protection, energy conservation and emission reduction, driving the sales of our storage and transportation equipment such as on-vehicle LNG cylinder, cryogenic storage tanks, industrial gas storage tanks and tank containers. As a result, the clean energy segment's revenue for the first half of 2024 rose by 25.1% to RMB7,876,340,000 (corresponding period in 2023: RMB6,293,551,000), among which the hydrogen related business's revenue increased by 65.2% to RMB445,586,000 (corresponding period in 2023: RMB269,686,000). The clean energy segment remained the top grossing segment and contributed 68.6% (corresponding period in 2023: 58.5%) of the Group's total revenue.

Due to slow down of the chemical industry, the tank container industry is gradually reducing idle stocks. Compared with the previous period's high-speed growth rate, the demand for tank containers has significantly slowed down and declined during the reporting period. As a result, the chemical and environmental segment's revenue was down by 47.1% to RMB1,296,698,000 (corresponding period in 2023: RMB2,450,832,000). The segment made up 11.3% of the Group's total revenue (corresponding period in 2023: 22.8%).

During the first half of 2024, benefitting from smooth progress of the projects, the liquid food segment's revenue saw an increase of 14.7% to RMB2,306,900,000 during the period (corresponding period in 2023: RMB2,012,106,000). The segment accounted for 20.1% of the Group's total revenue (corresponding period in 2023: 18.7%).

	Six months ended 30 June		Change
	2024 (unaudited)	2023 (unaudited)	%
Newly signed orders			
Total *(RMB million)*	**16,399**	12,666	29.5%
—Clean energy segment	**12,919**	7,912	63.3%
—Hydrogen business	**446**	345	29.3%
—Chemical and environmental segment	**1,688**	2,309	(26.9%)
—Liquid food segment	**1,792**	2,445	(26.7%)

	As at 30 June		Change
	2024 (unaudited)	2023 (unaudited)	%
Backlog orders			
Total *(RMB million)*	**29,351**	20,602	42.5%
—Clean energy segment	**22,933**	13,438	70.7%
—Hydrogen business	**332**	373	(11.0%)
—Chemical and environmental segment	**1,522**	2,095	(27.4%)
—Liquid food segment	**4,896**	5,069	(3.4%)

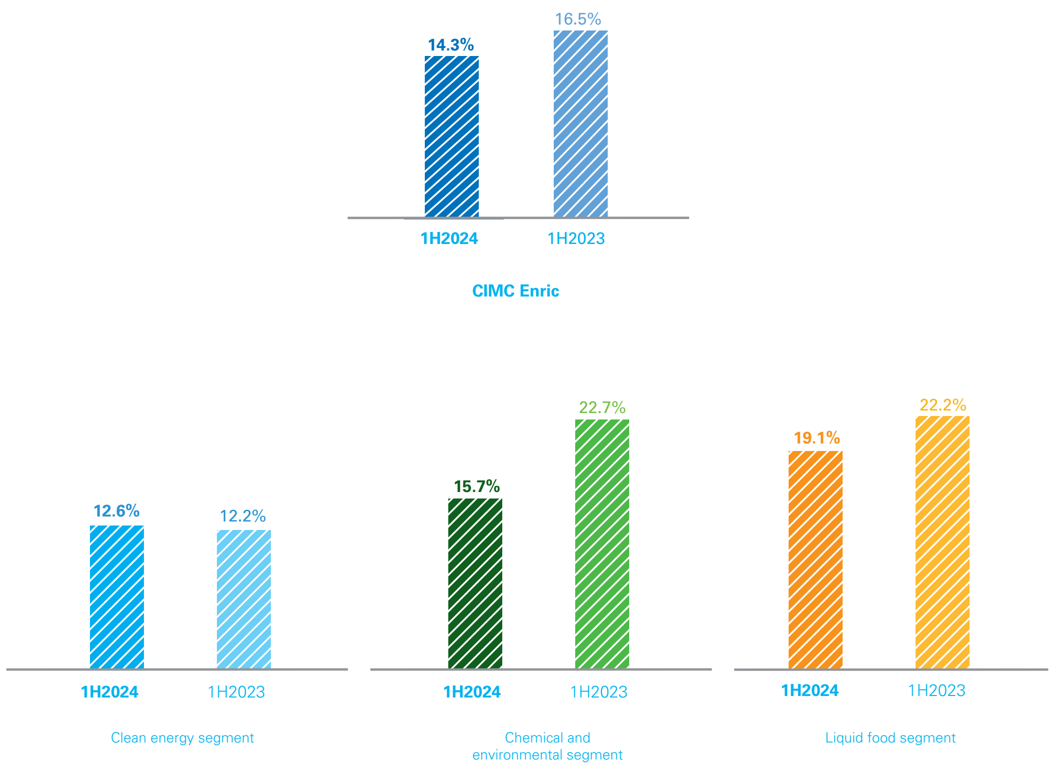
During the first half of 2024, the newly signed orders of the Group totalled RMB16,399 million, representing a YoY increase of 29.5%. As of the end of June, the backlog orders amounted to RMB29,351 million, representing a significant YoY increase of 42.5%, setting a new record. Benefiting from a promising outlook for the shipbuilding industry and the vigorous exploration of the overseas market for the onshore clean energy, the newly signed orders of the clean energy segment amounted to RMB12,919 million during the period, representing a YoY growth of 63.3%. and the backlog orders as of the end of June amounted to RMB22,933 million, representing a YoY surge of 70.7%. In particular, the newly signed orders of the offshore clean energy during the first half of 2024 and the backlog orders as of the end of June amounted to RMB6,864 million and RMB15,064 million, respectively, while the newly signed orders of the hydrogen energy business during the first half of the year and the backlog orders as of the end of June amounted to RMB446 million and RMB332 million, respectively.

Newly signed orders for the first half of 2024 and backlog orders as of the end of June 2024 for the chemical and environmental segment amounted to RMB1,688 million and RMB1,522 million respectively. Since the beginning of this year, the demand for chemical tank containers has been gradually picking up, with newly signed orders for the second quarter of this year growing significantly by 245.4% over the first quarter, and newly signed orders for the first half of this year growing by 69.6% as compared to the second half of 2023. Newly signed orders for the period and backlog orders as of the end of June 2024 for the liquid food segment amounted to RMB1,792 million and RMB4,896 million respectively. In the first half of 2024, customers of the Group postponed some of their capital expenditure decisions due to the sluggish consumption of beer and spirits overseas, as well as the increase in the costs of raw materials, energy and labour, which in turn affected the newly signed orders of the Group's liquid food segment. In addition, during the same period last year, the Group secured a large-scale industrial beer project in South America for approximately EUR180 million (approximately RMB1.43 billion), resulting in a YoY decline in new orders during the period, yet the projects on hand of the Group's liquid food segment remained relatively full.

Gross profit margin and profitability

The Group's overall gross profit margin ("**GP margin**") fell to 14.3% in the first half of 2024 from 16.5% in the corresponding period in 2023. While clean energy segment's GP margin rose slightly, both chemical and environmental and liquid food segments' GP margins decreased at varying degrees which combined to drag down the Group's overall GP margin.

Gross profit margin



The clean energy segment's GP margin improved slightly, which was mainly attributable to the increase in revenue from overseas customers. During the period, the GP margin of chemical and environmental segment decreased, which was mainly due to the global tank container supply and demand have reached a balance which lowered utilisation rate of the production line. During the period, the GP margin of liquid food segment decreased slightly which was mainly because of delay in progress of some projects and rise in certain costs. These were in turn caused by certain overseas clients postponing their investments where their respective government adopted an interest rate hike policy.

Profit from operations expressed as a percentage of revenue fell to 6.1% (corresponding period in 2023: 7.0%), which was mainly due to a decrease in GP margin.

During the period, income tax expense decreased by 8.4% to RMB146,856,000 (corresponding period in 2023: 160,286,000). The effective tax rate increased from 21.9% in the same period of 2023 to 22.6% in the current period was mainly attributable to decrease in profit contribution from advanced and new technology enterprises in China who enjoy a preferential tax rate of 15% instead of the normal tax rate of 25%.

Liquidity and financial resources

	30 June 2024	31 December 2023	Change
Net assets *(RMB'000)*	**12,448,992**	12,373,644	0.6%
Cash and cash equivalents *(RMB'000)*	**7,246,810**	6,998,191	3.6%
Interest bearing debts[1] *(RMB'000)*	**3,078,491**	2,626,935	17.2%
Gearing ratio[2]	**24.7%**	21.2%	3.5 ppt

1 Interest bearing debts = Bank loans, loans from related parties, medium-term notes and convertible bonds

2 Gearing Ratio = Interest bearing debts ÷ Net assets

As at 30 June 2024, the cash and cash equivalents of the Group amounted to RMB7,246,810,000 (31 December 2023: RMB6,998,191,000). A portion of the Group's bank deposits totalling RMB854,246,000 (31 December 2023: RMB1,183,323,000), which had a term of maturity more than three months from the date of their initial placement, were restricted for guarantee of banking facilities and for treasury management purpose. The Group has maintained sufficient cash on hand for repayment of bank loans and loans from related parties as they fall due, and has continued to take a prudent approach in future development and capital expenditure. The Group has consistently been cautious in managing its financial resources and will constantly review and maintain an optimal gearing level.

As at 30 June 2024, the Group's bank loans and overdrafts amounted to RMB565,465,000 (31 December 2023: RMB478,538,000) are all repayable within one year to five years except loans totalling RMB140,000,000 which are repayable after five years. Apart from the term loan as well as revolving banking facilities which are denominated in USD and HKD that bear interest at floating rates, the overall bank loans bear interest at rates from 2.70% to 5.50% per annum.

As at 30 June 2024, the Group did not have any secured bank loan (31 December 2023: nil) nor any bank loan that was guaranteed by the Company's subsidiaries (31 December 2023: nil). As at 30 June 2024, loans from related parties amounted to RMB504,033,000 (31 December 2023: RMB695,526,000), which are unsecured, interest bearing from 2.89% to 4.75% (31 December 2023: 2.95% to 4.75%) per annum and repayable within one year.

As at 30 June 2024, the Group's zero-coupon convertible bonds amounted to RMB1,511,355,000 (31 December 2023: RMB1,452,871,000). There has not been any conversion of the convertible bonds during the period. With effect from 4 June 2024, the convertible bonds' conversion price has been further adjusted from HKD11.15 to HKD10.65 and if fully converted will be convertible into 157,746,478 shares of the Company, representing an increase of 7,073,833 shares (31 December 2023: 150,672,645 shares).

In April 2024, the Group issued three-year medium-term notes with par value totalling RMB500,000,000. The medium-term notes bear interest at 2.43% per annum and the proceeds from which after deducting the issuance costs were used for repayment of the Group's indebtedness and to supplement the Group's operating capital.

The net gearing ratio, which is calculated by dividing net debt over shareholders' equity, was zero times (31 December 2023: zero times) as the Group retained a net cash balance of RMB4,168,319,000 (31 December 2023: RMB4,371,256,000). The increase in net cash balance is mainly attributable to the inflow from operating activities which was offset to certain extent by the cash outflows from investing and financing activities.

The Group recorded a cash inflow from operating activities of RMB616,812,000 (corresponding period in 2023: RMB568,123,000) mainly attributable to increase in contract liabilities (i.e. down payments received from EPC/turnkey projects awarded). By consistently applying the right measures and controls, the Company is confident to maintain a net operating cash inflow in the long run.

The net cash used in investing activities amounted to RMB139,974,000 (corresponding period in 2023: RMB902,390,000). This is mainly due to the payment for acquisition of property, plant and equipment and construction in progress and cash paid for settlement of derivative financial instruments which totalled RMB337,270,000 and RMB121,413,000 respectively (corresponding period in 2023: RMB244,464,000 and RMB53,876,000 respectively). The outflow was offset to a certain extent by the net withdrawal of term deposits amounted to RMB269,628,000 (corresponding period in 2023: an outflow of net placement of term deposits of RMB568,903,000).

During the period, the cash outflow from financing activities amounted to RMB201,746,000 (corresponding period in 2023: inflow of RMB100,927,000). The cash outflow was mainly due to the payment of final dividend for 2023 and repayment of loans from related parties totalled RMB563,504,000 and RMB315,442,000 (corresponding period in 2023: RMB432,899,000 and RMB88,707,000 respectively). The outflow was offset to a certain extent by the issuance of medium-term notes of RMB497,333,000 (corresponding period in 2023: nil).

As a result, the cash inflow of the Group during the period totalled RMB275,092,000 (corresponding period in 2023: a cash outflow of RMB233,340,000).

The Group's interest coverage was 15.0 times for the period (corresponding period in 2023: 26.9 times), demonstrating the Group is fully capable of meeting its interest expense obligations. As the general economic outlook has improved and the Group is in a stable financial position and able to fulfil its interest obligations, the Group will continue with a responsible approach in managing its cash resources.

Assets and liabilities

As at 30 June 2024, total assets of the Group increased from RMB27,587,424,000 (at 31 December 2023) to RMB29,679,098,000. Non-current assets and current assets increased by RMB329,190,000 and RMB1,762,484,000, respectively. At 30 June 2024, total liabilities of the Group increased by RMB2,016,326,000 to RMB17,230,106,000 (31 December 2023: RMB15,213,780,000). The net asset value increased slightly from RMB12,373,644,000 (at 31 December 2023) to RMB12,448,992,000 as at 30 June 2024. The net asset value per share also increased slightly to RMB6.138 at 30 June 2024 from RMB6.101 at 31 December 2023.

Contingent liabilities

As at 30 June 2024, the Group had outstanding procurement performance guarantees issued by relevant banks totalling RMB6,006,245,000 (31 December 2023: RMB3,328,102,000), project execution guarantees totalling RMB537,873,000 (31 December 2023: RMB496,645,000), warranty guarantees totalling RMB110,360,000 (31 December 2023: RMB96,045,000) and miscellaneous guarantees totalling RMB15,274,000 (31 December 2023: RMB16,626,000). Save as disclosed above, the Group did not have other material contingent liabilities.

Future plans for source of funding and capital commitments

Currently, the Group's operating and capital expenditures are mainly financed by its internal resources such as operating cash flow and shareholders' equity, and to some extent by interest bearing debts. At the same time, the Group will continuously take particular caution on the inventory level, credit policy as well as receivable management in order to enhance its future operating cash flow. The Group has sufficient resources of funding and unutilised banking facilities to meet future capital expenditure and working capital requirement.

As at 30 June 2024, the Group had contracted but not provided for capital commitments of RMB184,201,000 (31 December 2023: RMB347,159,000), while the Group did not have any authorised but not contracted for capital commitments (31 December 2023: nil).

Foreign exchange exposure

The Group is exposed to foreign currency risk primarily through trade transactions that are denominated in currencies other than its functional currency. The currencies giving rise to this risk to the Group are primarily US dollar and Euro. The Group continuously monitors its foreign exchange exposure and controls such exposure by conducting its business activities and raising funds primarily in the denominations of its principal operating assets and revenue. Moreover, if necessary, the Group can enter into foreign exchange forward contracts with reputable financial institutions to hedge foreign exchange risk.

Capital expenditure

In the first half of 2024, the Group invested RMB392,305,000 (corresponding period in 2023: RMB322,732,000) in capital expenditure for expansion of production capacity, general maintenance of production capacity and new business ventures.

Significant Investment Held and Future Plans for Material Investment and Capital Assets

During the six months ended 30 June 2024, the Group did not have any significant investment, and there was no plan for other material investments or additions of capital assets as at the date of this report.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the six months ended 30 June 2024, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures.

Charge on Assets

As at 30 June 2024, no property, plant and equipment was pledged.

Employees and Remuneration Policies

As at 30 June 2024, the total number of employees of the Group was approximately 11,000 (corresponding period in 2023: approximately 10,600). Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and equity-settled share-based payment expenses) were approximately RMB1,360,010,000 (corresponding period in 2023: RMB1,189,933,000). The rise in total staff costs were mainly attributable to the increase in production level during the period.

BUSINESS REVIEW

The Group is principally engaged in the design, development, manufacturing, engineering, sales and operation of, and the provision of technical maintenance and integrated services for, a wide spectrum of transportation, storage and processing equipment that is widely used for the clean energy, chemical and environmental, and liquid food industries.

BUSINESS REVIEW BY SEGMENTS

Clean Energy

The segment specialises in the manufacture, sale and operation of various types of equipment for the storage, transportation, processing and distribution of natural gas in the form of liquefied natural gas ("**LNG**"), compressed natural gas ("**CNG**") and liquefied petroleum gas ("**LPG**"). It also provides engineering, procurement and construction ("**EPC**") services to the clean energy industry, such as the LNG plants, receiving terminals for importation of LNG and liquefied ethylene/ethane gas ("**LEG**"), CNG refuelling station equipment, LNG refuelling station equipment and skid-mounted equipment. The segment also provides hydrogen energy equipment products and project engineering services covering such areas as "production, storage, transportation, refuelling and application" in the hydrogen industry chain, including high-pressure gaseous and cryogenic liquid hydrogen-related equipment, core processes and solutions, such as high-pressure hydrogen transportation trucks, hydrogen storage tanks, medium pressure hydrogen storage spherical tanks, electrolysers, and all the core equipment in the hydrogen refuelling stations, as well as liquid hydrogen transportation vehicles and storage tanks. In addition, the segment also engages in the design, manufacture and sale of small and medium liquefied gas carriers such as LPG, LNG and LEG carriers, fuel supply systems and oil & gas liquefaction modules for LNG-powered vessels. The segment also provides intelligent value-added services to the clean energy industry based on the Internet of Things ("**IoT**") Intelligent Operation and Management Platform.

Onshore Clean Energy Business

In the first half of 2024, China's economy in general continued to show a positive trend of recovery, and the natural gas market further rebounded, with both supply and demand flourishing. The data of the National Bureau of Statistics showed that, in the first half of 2024, the domestic industrial natural gas production above-scale amounted to 123.6 billion m^3, reaching a record high for the same period in history, representing a YoY increase of 6%. According to the gas database monitoring, in the first half of 2024, domestic apparent consumption of LNG increased by 21% YoY to 20.17 million tons. From January to June 2024, China's apparent consumption of natural gas amounted to 213.8 billion m^3, representing a YoY increase of 10%. The import of natural gas also grew rapidly in China to 64.65 million tons from January to June 2024, up 14% YoY, of which LNG import volume amounted to 38 million tons, up 14% YoY, with an average import price of RMB3,489/ton, down 10% YoY.

The LNG market price oscillated downward and remained low due to the resonance of multiple factors such as the decrease in imported LNG price and the increase in supply. The data of the National Bureau of Statistics also showed that, in late June 2024, the average LNG price was RMB4,335/ton, while the diesel price was still at a high level, reaching RMB7,729/ton in late June 2024. As the price gap between LNG and diesel further widened, the price ratio was as low as 0.6, stressing the economy of natural gas, which continues to benefit terminal applications.

During the reporting period, the Group's upstream projects for joint production of hydrogen and LNG progressed smoothly. Among them, Angang CIMC project for joint production of hydrogen and LNG from coke oven gas has completed integration testing and officially put into production and operation. Additionally, a number of other projects under construction or in the pipeline were in the process of being actively pursued. The Angang CIMC project is the first project in China that realises the integration of digital and intelligent technology with business scenarios for energy production, storage, transportation, refuelling and use, providing an "end-to-end" ecological solution for the high value-added utilisation of coke oven gas, injecting new quality productive forces into the traditional industry, and assisting in energy saving and carbon reduction in the iron and steel industry. In the midstream business field, the Group's sales of natural gas storage and transportation equipment soared thanks to the growth in both apparent consumption and import volume of natural gas, with sales of LNG tank containers significantly increasing by 295% YoY. In the field of terminal application, with the economic advantage of natural gas being constantly stressed and the LNG heavy-duty truck market rapidly picking up, a total of 110,000 LNG heavy-duty trucks were sold in the domestic market during the period, representing a YoY increase of 104%, reaching a record high for the same period in history, giving the on-vehicle LNG cylinder market a remarkable boost. The Group's newly signed orders and delivered orders of on-vehicle LNG cylinders both grew significantly, recording a sales revenue of approximately RMB720 million during the period, representing a significant YoY growth of 711%.

During the reporting period, the overseas clean energy markets expansion also showed promising development. Focusing on Africa, the Middle East, South America, Southeast Asia and other countries and regions with abundant natural gas resources or fast-growing demand, the Group continued to expand its business layout. In the first half of 2024, the Group signed overseas bulk orders for LNG tank containers, LNG storage tanks and LNG trailers, and also won the tenders for a number of overseas projects such as gasification station and liquefaction plant, resulting in a significant increase of 48.8% YoY in the new overseas orders for onshore clean energy, reaching RMB1.51 billion.

Offshore Clean Energy Business

With the improving global environmental protection standards and the relevant perfecting policies and regulations, green shipping has become an important trend in the development of the industry. Clarksons Research's data showed that new building orders for alternative fuel vessels in the first half of 2024 accounted for approximately 44% of the total tonnage of all newly ordered vessels, with LNG remaining the most widely used alternative fuel, followed by methanol. The global shipbuilding industry is currently in a new uptrend cycle, with rising new vessel prices due to continued supply-side constraints. As of the end of June 2024, the Clarkson Newbuilding Price Index reached 187 points, representing a YoY increase of approximately 10%. Based on the confirmed orders on hand (approximately 50% on alternative fuels) and the investment plans for the next few years, Clarksons Research forecasts that by the end of 2030, alternative fuel options are available for more than one-fifth of the capacity of the global fleet.

During the period under review, the Group signed a total of 16 new building vessel orders, of which 12 were liquefied gas carriers, LNG bunkering vessels and other main vessel types, including four 40,000m^3 MGC vessels signed with Capital Gas, two 20,000m^3 LNG carrier and bunkering vessels signed with Avenir LNG Limited, and one 12,500m^3 LNG bunkering vessel and one 20,000m^3 LNG carrier and bunkering vessel signed with Vitol International Shipping Pte Ltd and so on. In addition, the Group successfully delivered three vessels in the first half of the year, including the first 12,000m^3 LNG carrier and bunkering vessel in China to CNOOC.

The Group is also proactively engaging in the development of green methanol fuels, and is steadily pushing forward its first biomass green methanol demonstration project with annual production capacity of 50,000 tons in Guangdong.

Hydrogen Energy Business

Since 2024, more than 10 hydrogen energy policies have been issued by state ministries and commissions in the People's Republic of China, improving the hydrogen industry policy system on various levels, such as technology research and development, standard formulation, and demonstration projects. And in April 2024, hydrogen energy was officially included in the Draft Energy Law of the People's Republic of China, legally establishing hydrogen's status as an energy source and accelerating the implementation of green hydrogen and green ammonia projects. Meanwhile, many provinces and municipalities across the country have also released hydrogen industry policies in the first half of the year. Currently,15 regions have already loosened restrictions on hydrogen energy, with some regions explicitly stating that green hydrogen does not require a hazardous chemicals safety license, which would greatly reduce the compliance threshold for green hydrogen manufacturing, accelerate the demonstration progress of hydrogen energy in the transportation and industrial sectors, and promote the high-quality and rapid development of the hydrogen industry. In the first half of 2024, 2,773 and 2,644 hydrogen fuel cell vehicles in China were manufactured and sold, respectively, representing a YoY increase of 11% and 10%.

During the period under review, in terms of upstream hydrogen production, the hydrogen production and storage equipment based on PEM electrolytic water technology, jointly developed by Tan Kah Kee Innovation Laboratory at Xiamen University and the Group, was successfully delivered. The group standard of the "T/CIET 336–2023 Technical Requirements for Hydrogen Production System with Proton Exchange Membrane Electrolysis of Water" in which the Group participated was successfully published. The first demonstration project of hydrogen production from coke oven gas will soon be successfully put into production. In terms of midstream storage and transportation, favored by the hydrogen energy policies of this year, the green hydrogen project and demonstration and application projects around the country have been progressing rapidly, and the Group's cooperation projects focusing on large-scale green hydrogen storage and transportation, hydrogen expressway, industrial applications, and such have been flourishing. In the first half of the year, the Group won the tender for the spherical tanks project for the green power and green hydrogen production, storage, refuelling and use integrated hydrogen mine comprehensive construction project in the mining area of Daye, Hubei Province, with the on-site installation of two spherical tanks already completed. Additionally, a variety of equipment such as long pipe trailers and on-board hydrogen supply systems was supplemented with the "Tianjin Port – Handan – Changzhi – Rongcheng" hydrogen zero-carbon two-way transportation corridor demonstration and application projects in Tianjin, Hebei and Shanxi Provinces, with an order value exceeding RMB50 million. In terms of liquid hydrogen, with the development of liquid hydrogen technology, the liquid hydrogen projects have gradually been implemented. In the first half of the year, the Zhangjiakou hydrogen liquefaction plant demonstration project and the Fuyang liquid hydrogen refuelling station demonstration project in which the Group participated were progressing steadily, with expected delivery in the second half of the year. In terms of hydrogen refuelling stations, the Group successfully delivered a number of fixed hydrogen refuelling stations and skid-mounted hydrogen refuelling stations in the first half of the year. In addition, the Group successfully won the tender for the hydrogen refuelling station in the Wuqiang service area (武強服務區) under Hebei Expressway Yanzhao Yixing Group (河北高速燕趙驛行集團), which would help to build the first hydrogen expressway service area in Hebei Province. The group standard of the "T/CIET 338–2023 Hydrogen Refuelling Station Operation and Management Regulation" in which the Group participated for compilation was also officially released.

Prospects

Onshore Clean Energy Business

In recent years, the international geopolitical situation has been in great turmoil, the supply chain of the energy industry chain has been repeatedly disrupted, and the global energy landscape has been profoundly adjusted. Amid the ongoing global energy transition, LNG, as a clean, stable and safe fossil energy, has enjoyed booming supply and demand and rapid growth, and has gained popularity among many governments and energy giants. A recent report by Goldman Sachs predicts that global investment in LNG is expected to grow by more than 50% by 2029, with global LNG supply projected to surge by 80% by 2030.

On the demand side, oil and gas giant Shell forecasted in its 2024 annual LNG outlook report that global LNG demand is expected to grow by more than 50% by 2040, with strong demand from China, South Asia and Southeast Asian countries being the main drivers behind. According to the forecasts of analysts ICIS and Rystad, China's LNG import volume is expected to rebound from 70 million tons in 2023 to 80 million tons in 2024, surpassing the record of 78.79 million tons in 2021. The data from the International Energy Agency (IEA) also showed that China accounted for 30% of all LNG purchase and sale agreements signed in the past five years. Based on the current trend, China's share of active LNG contracts will double from 12% in 2021 to around 25% by 2030. As an advanced and intelligent manufacturer of clean energy equipment, the Group's related equipment and projects are also expected to continue to benefit from the fast ramp-up of LNG demand.

Offshore Clean Energy Business

Driven by the steady recovery of the global economy and the low-carbon transformation in the energy sector, the global demand for natural gas has continued to increase in recent years. Among them, the proportion of LNG trade volume has been increasing annually. As predicted by the Gas Exporting Countries Forum (GECF), the proportion of global LNG trade volume in natural gas trade volume is expected to increase to 48% by 2030 and 56% by 2050, respectively.

According to the CCS Wuhan Rules & Research Institute (中國船級社武漢規範所), the proportion of LNG fuel used in new inland vessels will reach over 10% by 2025. According to the total number of newly-built ships, China is expected to construct at least 500 LNG-fueled inland vessels. For the conversion of existing inland vessels to LNG fuel-powered vessels, there are approximately 7,000 potential vessels to be retrofitted. At that time, China will have approximately 8,000 LNG-fueled inland vessels (including existing ones). According to the comprehensive calculation of the number and fuel consumption of LNG-fueled vessels above, the annual consumption of LNG fuel for domestic vessels in China will be approximately 500,000 tons by 2025. It is expected that 40% of coastal vessels in the Pearl River Delta and Yangtze River Delta will be refuelled with LNG. The market demand for LNG fuel is expected to reach 360,000 to 510,000 tons in 2025 and 770,000 to 1,060,000 tons in 2030, respectively. In light of the limited LNG refueling facilities currently in China, the market demand for it is considerable.

As a global leader in the niche of small and medium-sized liquefied gas vessels, the Group will fully benefit from the booming shipbuilding industry cycle and the opportunities for global energy structure transformation with its full-spectrum liquefied gas vessel construction capabilities and diversified customised fuel tank solution capabilities to meet the urgent demand for green ships in the market.

Hydrogen Energy Business

Hydrogen energy has been legally recognised as an important component of the national energy system and a critical carrier for achieving green and low-carbon transformation in energy consumption. It is also a strategic emerging industry and a key direction for future industrial development. According to statistics from the China Hydrogen Energy Alliance, 78 renewable hydrogen projects have been completed and put into operation as of June 2024, with a total project scale of approximately 970 MW and a production capacity of approximately 110,000 tons per year, covering 25 provinces (municipalities, autonomous regions) and involving 70 enterprises. The Group is accelerating infrastructure construction and actively creating new quality productive forces in the energy sector. At present, the Group has completed the layout of equipment and capabilities for the production, storage, transportation, refuelling and application of hydrogen energy throughout the entire industry chain. With the accelerated maturity of the hydrogen energy industry, the ability to provide integrated solutions based on the layout of the entire industry chain will gradually emerge, bringing new growth opportunities for our business.

Future Plans and Strategies

The strategic development direction of the Group is gradually extending from "equipment + engineering" to "comprehensive service provider", aiming to create the integrated industry interaction powered by digitisation and intelligence relying on "key equipment + core processes + comprehensive services", and transform into a comprehensive service provider of technology-based low-carbon intelligent new energy solutions.

Onshore Clean Energy Business

The Group will continue to adhere to the business development strategy of "equipment manufacturing + engineering services + one-stop solutions", so as to strengthen the full business chain layout of natural gas, LPG and industrial gas, and reinforce its international business presence. It will also expand its innovative demonstration applications for upstream processing and treatment modules, promote the intelligent application of critical energy equipment, optimise the combination of products and business, consolidate and cultivate more champion products, and achieve resource consolidation and integration of its engineering business operations.

Offshore Clean Energy Business

As a leading provider of small and medium-sized liquefied gas vessels and oil-to-gas conversion vessel services, the Group will focus on the offshore storage, transportation, and refuelling fields of liquefied gas. It will carry out the demonstration application of the LNG marine tank-swap solution for vessels, provide oil-to-gas conversion solutions for inland navigation groups, and offer small and medium-sized clean energy transportation and refuelling vessels to customers to facilitate their transformation and upgrading to achieve green shipping. The Group aims to consolidate its leading market position in the field of offshore clean energy equipment. In addition, the Group will expand its deployment of green alternative fuels such as green methanol.

Hydrogen Energy Business

The Group will further improve the layout of the "production, storage, transportation, refuelling, and application" of the entire hydrogen energy industry chain, increase research efforts into key core technologies and personnel training, as well as fully promote the R&D and market development of new products including high-pressure gas hydrogen equipment, commercial liquid hydrogen equipment, on-vehicle hydrogen cylinders and supply systems, offshore hydrogen energy equipment, actively build cooperative relationships with industry-leading enterprises, deeply participate in the construction of fuel cell demonstration city clusters, seize new opportunities for innovative development in the hydrogen industry under the "dual-carbon" target, and commit to becoming a leading scientific and technological enterprise in the field of hydrogen energy.

Research and Development

During the first half of 2024, the clean energy segment completed the development of several new products. Some of the research and development projects recorded breakthroughs. Additionally, the Group participated in the formulation of several standards. For example:

1. Participated in the formulation of the national standard Seamless Steel Tubes for Large Volume Gas Tank (GB/T 28884–2024) (GB/T 28884–2024《大容積氣瓶用無縫鋼管》), which has been released, further enhancing the Group's reputation in the field of large volume gas tank manufacturing.

2. Presided over the formulation of the group standard Technical Regulations for Safety Use of Helium Tube Trailer (T/CCGA 20014–2024) (T/CCGA 20014–2024《氦氣長管拖車安全使用技術規範》), which has been released by the China Industrial Gases Industry Association, making new contributions to the development of special gas storage and transportation equipment.

3. Completed the optimisation and upgrade of hydrogen energy transportation equipment for the φ715 glass fiber wrapped gas tank, further enhancing the market competitiveness of the products.

4. Completed the R&D of international underwater CO_2 energy storage tank containers, which are a new application scenario for CO_2 energy storage and have achieved bulk sales of energy storage products for export.

5. Completed the R&D of new integrated technology for micro-innovation of LPG mid-pressure products, reduced the weight by 300kg per vehicle by using SAD stress analysis design, and continued to maintain the leading advantage of the largest capacity and the most loading mass in China; each vehicle could load additional 3 to 5 tons of media with the unique multi-hole upper-inlet structure, bringing significant economic benefits to customers.

6. Submitted a summary report on the trial manufacturing and pilot use of the Three New Technologies of "New Materials, New Technologies, and New Process" for Small LPG (Commercial Propane) Vehicle Tanker with Liquid Discharge Pump to the State Administration for Market Regulation; carried out the design, installation and commissioning of the first industrial distributed clean energy project in Xinjiang Region with official operation realised good demonstration results.

7. Constructed and delivered the first large-scale vertical ultra-high LNG double ear marine fuel tank in the world, adopting a new vertical saddle design to further diversify the types of fuel tank products.

8. Completed the main body structural construction of the largest domestic B-type fuel tank project, which is expected to be delivered in the second half of 2024; compared with the C-type fuel tank, the B-type fuel tank features high capacity utilisation, wide applicability and high reliability, making B-type fuel tank an ideal choice for large LNG fuel tanks and LNG transport and refuelling marine cargo tanks.

9. Successfully launched the SL1500 low-carbon energy station of the Sky Line series, which was applied to the power generation project by ferroalloy tail gas in Ulanqab, further promoting low-carbon and green energy development.

10. Focused on building high-end supporting equipment for the chip industry, completed the preliminary design of high-purity ammonia spherical tanks and the formulation of general manufacturing technology requirements, and its design and manufacturing technology reserves had been preliminarily completed.

The Group also had a number of projects initiated and promoted, including high-precision intelligent mass flow meters, high-end cryogenic valves (liquid hydrogen, liquid helium), high-efficiency liquid driven hydrogen long-term storage technology and equipment, vacuum environmental protection consolidation tanks, etc.

To facilitate sustainable and healthy development, the Group is actively expanding its development projects in the new energy field and has made significant progress in the field of hydrogen equipment, standards and regulations. For example:

1. The Company's first project for joint production of hydrogen and LNG from coke oven gas with Angang Steel will be officially put into production, providing "end-to-end" green solutions for the high value-added utilisation of coke oven gas.

2. Participated in the preparation of the industry standard Technical Specifications for Road Transportation of Hydrogen (Liquid Hydrogen) (《氫氣(含液氫)道路運輸技術規範》), laying the foundation for road transport of civilian liquid hydrogen tank truck.

3. Participated in the preparation and publication of group standards for High-Performance Carbon Fiber for 70MPa Type IV Hydrogen Storage Cylinder Pressure Vessels (T/C1 279–2024) (《T/C1 279–2024 70MPa IV型儲氫瓶壓力容器用高性能碳纖維》), Solid Hydrogen Storage Integrated Equipment Technical Requirements (T/CIET 463–2024) (《T/CIET 463–2024固態儲氫一體化設備技術要求》), Pneumatic Control Valves for Liquid Hydrogen (T/CAB 0331–2024) (《T/CAB 0331–2024液氫用氣動控制閥》), Emergency Shut-Off Valves for Liquid Hydrogen (T/CAB 0330–2024) (《T/CAB 0330–2024液氫用緊急切斷閥》), Ball Valves for Liquid Hydrogen (T/CAB 0329–2024) (《T/CAB 0329–2024液氫用球閥》) and Butterfly Valves for Liquid Hydrogen (T/CAB 0328–2024) (《T/CAB 0328–2024液氫用蝶閥》), contributing to the standardised development of the liquid hydrogen industry.

4. Completed the liquid hydrogen filling of the first commercial liquid hydrogen storage tank and tank carrier in China, officially entering the testing phase of liquid hydrogen type.

5. Commenced construction of the first domestic commercial liquid hydrogen spherical tank, and the construction and pressure testing of the inner container have been completed, and the insulation construction of the inner container has begun.

6. Completed the launch and release of 90Mpa liquid-driven hydrogen compressor, and achieved the production and delivery of liquid-driven compressor on skid-mounted hydrogen refuelling stations.

7. The type IV hydrogen cylinder features low gravimetric capacity and high hydrogen storage density per unit mass. Its production line has entered the phase of equipment debugging and product certification, and bulk production will be realised in the second half of 2024.

Chemical and Environmental

The main operating entity of this segment is CIMC Safeway Technologies Co., Ltd. ("**CIMC Safeway**") which specialises in the research and development, manufacture and sales of a wide range of tank containers for chemical liquids, liquefied gas and powder commodities. It also provides after-market services such as maintenance, cleaning, refurbishment and renovation for tank containers, and provides customised intelligent services about tank container based on IoT technology. Meanwhile, leveraging its strong manufacturing capacity and well-established quality control system, this segment possesses the capacity to manufacture medical equipment components which are widely applied in the area of magnetic resonance imaging equipment.

In the first half of 2024, amidst the complex international political and economic situation, this segment remained focused on high-quality development and adhered to the principle of making progress while maintaining stability, which ensured that production and operation were carried out in an orderly manner in accordance with the established strategies and annual targets through unremitting efforts and overcoming difficulties. The segment maintained its global market share of tank containers at No. 1, demonstrating resilience in its development, with the business of medical equipment components growing steadily and after-market business continuing to advance.

In the past two years, the global economy and trade have been affected by multiple factors, including international geopolitical tensions and fluctuations in the USD interest rate, etc. The global economy, including the chemical industry, has experienced a "weak recovery", leading to a slowdown in the market demand for tank containers compared to the previous rapid growth.

According to ITCO statistics, as of January 2024, the total inventory of the global tank container market reached 850,000 units, with a compound annual growth rate of 8% from 2013 to 2023. In the long run, the tank container market is still maintaining an upward spiral, and heading towards a safer, more economical, more environmentally friendly and smarter green logistics model.

With years of experience in production technology and quality management in the field of tank containers, the segment has developed its medical equipment components business and become a core supplier of medical imaging equipment such as Siemens, Philips, United Imaging Healthcare (聯影醫療) and Jansen NMR (健信核磁). In the future, the segment will plough into the field of medical imaging equipment, expand the depth and breadth of products, and cooperate more deeply with mainstream customers to further expand and strengthen, thus enhance the market share.

The after-market business mainly includes cleaning, refurbishment, renovation, maintenance and inspection of tank containers. The segment is gradually building up its after-market service network for tank containers and has already provided after-market services such as cleaning, refurbishment, renovation, maintenance and inspection of tank containers to its customers in areas such as the Netherlands and Jiaxing City, Zhejiang Province. In the future, the segment will rely on the "Tank Container After-market Service and Network Upgrade" project to add advanced equipment, introduce technical talents, optimise the technical service process, and enhance the overall after-market comprehensive service capability.

Prospects

Tank container is a kind of safe and efficient chemical logistics equipment. In the long run, the gradual promotion of multimodal transport policy, stricter chemical safety requirements and trans-regional investments in the chemical industry will help improve the penetration rate of tank containers in the chemical logistics area and promote the continuous growth of the chemical logistics industry, thus driving the tank container industry and market to maintain a rising trend in the long run. In recent years, with the rapid development of chemical industry in China, the specialisation of chemicals and containerised transport is actively promoted on a national level, which has laid out a solid foundation for the long-term sustainable development of tank containers in China.

In February 2024, President Xi chaired the 4th meeting of the Central Commission for Financial and Economic Affairs (CCFEA), at which he stressed "lowering logistics costs for the whole society is an important measure to improve the efficiency of economic operations; the key methods to lower logistic costs are adjusting structures and promoting reformation for lowering logistic costs, warehousing costs and management costs effectively; optimising the logistic structures to strengthen the "rail transport instead of road transport" and "waterway transport instead of road transport", promoting the integrated transportation system reformation for forming an integrated, efficient, competitive and orderly logistic market".

In May 2024, the Notice on the Key Task of Cost Reduction in 2024 (《關於做好2024年降成本重點工作的通知》) issued by the National Development and Reform Commission (NDRC), which proposed to develop multimodal transport vigorously and supported the development of a "one-bill system" and "one-container system". It also proposed to accelerate the construction of ports, logistics parks and other special-purpose railway lines, vigorously promote "rail transport instead of road transport" and "waterway transport instead of road transport" for bulk cargo and medium-to-long-distance cargo transportation, improve the efficiency of transportation, facilitate faster growth of the transportation capacity of container rail-water multimodal transport at ports and promote the proportion of green collection and distribution capacity of bulk cargoes at ports, logistics parks and industrial and mining enterprises to increase steadily.

Future Plans and Strategies

Upholding the corporate vision of "becoming an outstanding leader in the field of global chemical logistics and environmental protection," this segment will implement the corporate mission of "innovation and leadership, intelligent renovation and digital transformation, tank containers linking the world, green development." Innovation and leadership: centering on emerging industries, the Company will insist on long-term investment in research and development, continuous innovation, continued development of application products for new scenarios, and the coverage of the needs of customers in emerging industries; intelligent renovation and digital transformation: the Company will introduce intelligent technology and equipment transformation for upgrading production processes, reducing costs and increasing efficiency, and achieving the improvement on management processes and production digitalisation; tank containers linking the world: the Company will promote the application in the tank container industry, guide the development trend of the tank container industry, consolidate and increase the market share and improve the tank container penetration rate; green development: the Company will actively save energy and reduce emission, establish green factories, guide the environmental protection standards in the industry, and improve the standard of green environmental protection for the manufacturing in industry.

With the rapid development of the new energy industry and the state's policy support on the high-end technology industries, this segment will focus on a number of key areas in the future to cope with the rapid changes and expansion in the market demand. The growth in demand for battery electrolyte and the rise of high-tech industries such as chips and semi-conductors indicate that the market for electrolyte tank containers and electronic-grade inner liner tank containers will be expanded further. At the same time, the development policies of domestic multimodal transport will further highlight the advantages of tank container transportation, enabling users in the new energy industry to turn to the use of tank container equipment for logistics transportation. In addition, we will actively enter the biopharmaceutical industry by developing pharmacy-grade tank container products and utilising our experience in high-precision welding in the medical field to expand into new businesses in the medical testing, industrial and scientific research fields, including superconductive equipment.

Based on consolidating the tank container manufacturing business, this segment will focus on improving the level of intelligence in products, and use the Internet of Things technology to help customers improve operational efficiency and facilitate intelligent logistics. The segment aims to accelerate the global layout of tank container after-sales services and provide customers with full life cycle services, so as to expand our brand influence, enhance our competitiveness, and offer customers better value-added services, therefore further improving customer satisfaction and loyalty.

In terms of medical equipment business, based on the strong manufacturing capability and strict quality control system, on the basis of stabilising the market position of nuclear magnetic components, this segment carried out in-depth strategic cooperation with the international mainstream medical suppliers to become the world's leading high-quality supplier of container components and services in the field of MR superconducting magnetic resonance, and further extended the high-end medical equipment supporting coverage at the same time.

In terms of the environmental protection business, this segment will continue to optimise its business layout and explore potential opportunities in the waste recycling of urban mines and rare and precious metals, etc. It is committed to promoting a sustainable industrial model and contributing to the sustainable development of the society and the environment.

Research and Development

In the first half of 2024, the segment led and participated in the preparation of a national standard "Safety Technical Requirements for Road Transportation of Liquid Dangerous Goods-Metal Transportable Tank Container (《液體危險貨物道路運輸金屬可移動罐櫃安全技術要求》)", to fill the blank of this industry standards in China, and has completed the solicitation of opinions from the public.

The segment is committed to providing customers with a full range of logistics solutions, and achieving the development of a series of special tank container products and the upgrade and iteration in standard products through collaborative research and development model of industry-university-research cooperation among China, England and Europe. The world's largest 52-foot tank container has been successfully developed, which can be used to replace railroad tankers. In order to solve the cleaning problems that have long plagued square tank users due to the internal structure of the product, we have provided easy-to-clean square tank containers. Aiming at high-potential downstream applications, we have laid out product solutions in advance, and developed vacuum environmentally friendly collection and transportation tank containers, and special inner liner tank containers for flow energy storage power stations.

The segment has been favored by customers since the release of the new intelligent IoT platform last year, with more than 10,000 devices operated on the enterprises' privatised platforms to help them avoid troubles. Since this year, IOT products have added an over-the-air (OTA) upgrade function, realising remote terminal control of customers and greatly improving customer experience.

The segment continues to be committed to the development and application of new technologies, processes and materials, actively carrying out the upgrade of production lines to automation, digitalisation and intelligence. In terms of environmental protection, the ultra-low volatile organic compounds (VOCs) emission powder coating technology has been applied in large-scale production. In terms of welding application, the double-welding wire submerged arc welding of gas tank cylinder ring seam have been completed, which has improved the welding efficiency and quality. In the surface treatment of tank containers, fully automatic shot blasting has been realised, which reduces the labor intensity of employees and improves products quality simultaneously.

Liquid Food

The business entity of this segment is CIMC Liquid Process Technologies Co., Ltd. ("**CLPT**", security code: 872914). This segment specialises in the design, manufacturing and delivery of stainless steel tanks and process equipment for various industries such as beer, distilled spirits, hard seltzer, solid fermentation, fruit juice, Ready To Drink beverages (RTDs) and biopharmaceuticals. The segment possesses globally reputable and leading brands Ziemann Holvrieka, Briggs, DME, Künzel and McMillan.

This segment has been deeply engaged in the field of bio fermentation intelligent equipment and production lines for 16 years, providing "turnkey project" solutions for process design, equipment manufacturing, installation and integration systems for major customers in biomedicine, distillation, brewing and other industries. Its manufacturing base is based in Europe, North America and China, with sales and service outlets all over the world, and the brand has a high reputation in the world. At present, this segment has obtained ISO9000, ISO14000, OHSAS18000 and other management system certifications, integration of industrialisation and industrialisation implementation certification, intelligent manufacturing management system certification, ASME U United States pressure vessel certification, PED EU pressure equipment certification, pressure vessel manufacturing special equipment license, etc.. This segment is awarded as "Jiangsu Province Specialisation, Refinement and Novelty Medium-Sized Enterprises", "Jiangsu Province Service-Oriented Manufacturing Demonstration Enterprise" and "National High-Tech Enterprises".

This segment has built a provincial-level enterprise technology center and two municipal-level R&D centers and has established industry-university-research cooperation with Jiangnan University and other universities. In the assessment of technological achievements sponsored by Jiangsu Province, the temperature-controlled fermentation technology applied in the field of bio fermentation intelligent production lines is regarded as cutting edge both in Chinese and international markets, which is primarily employed in the intelligent productions lines of biological fermentation and steel industries. The segment has 110 intellectual property rights, including 21 I Class invention patents and 79 utility models; among them, there are 7 high-value patents and 23 inventions accepted for ten years.

During the period under review, numerous projects were being executed, including the following highlighted projects: large scale turnkey brewery project in Cambodia, juice cargo tank project and other brewing and distilling projects in Mexico & Ireland.

In the first half of 2024, the overseas markets faced several challenges, including increased costs for raw materials, electricity and wages. Moreover, the anticipated growth in these markets has not materialised due to the macro-economic changes in consumer behavior and the increased cost-of-living where consumers cut back on non-essential purchases. These conditions have led the clients to adopt a more cautious approach to capital expenditures, resulting in postponements of current and new project executions. However, it is expected that most investment decisions will resume once market conditions stabilise.

The segment has implemented several mitigation actions to navigate the changed market conditions. Most notably, the strategic initiatives of transformation and upgrading of domestic traditional industries and development of "new quality productivity" have provided huge opportunities for this segment in the domestic market. This segment has been recognised by more domestic customers with its excellent EPC project delivery experience, automation, intelligent level and energy saving and emission reduction green development capabilities.

The focus remains on further diversification into the pharmaceutical industry and continuing to seize existing opportunities in regions with higher growth trajectories such as Asia Pacific, and supporting existing customers in meeting their sustainability goals. Ongoing operational excellence initiatives are positioning the segment strongly to seize emerging opportunities as market conditions stabilise.

The segment is under the process of spin-off and separate listing. On 28 June 2024, CLPT received the approval for the public transfer and quotation on the National Equities Exchange and Quotations System (全國中小企業股份轉讓系統) ("**NEEQ**") and the quotation of CLPT on the NEEQ has commenced on 8 August 2024, with the security code: 872914.

Prospects

With its expertise in designing, manufacturing, and project engineering of bio fermentation processing equipment, the segment drives integrated solutions forward for the beer, distilled spirits, juice and various other industries. This accomplishment is a result of the segment's experience in global project delivery, strong technical capabilities, and continued commitment to superior quality. Major growth drivers for the global liquid processing industry are a growing world population, rising middle class, increased share of people living in urban areas and a continued focus on sustainable production and CO_2 footprint reduction. This, in combination with increased customer interests in technological advancement and sustainable solutions, puts the segment in a favorable position to ensure sustained future growth.

With the world's excellent turnkey project capability in the bio fermentation industry, the segment will continue to focus on and seize the upgrade opportunities for the carbon neutral transformation of global and domestic plants and parks for beer, solid fermentation, distilled spirits, and bio-pharmaceuticals, aiming to increase the revenue contribution percentage from China market.

Future Plans and Strategies

Looking ahead, the liquid food segment will continue to consolidate its leading position in beer and distilling sectors, expand business opportunities in some other prosperous industries horizontally.

In addition, the segment will also pay close attention to the incremental market space brought about by the carbon neutral transformation of its client base and continue to develop new technologies and products to provide integrated engineering, construction and equipment services for the green transformation and upgrading of liquid processing production plants.

Research & Development

The liquid food segment has continued to focus on the research and development and in-depth development of a series of liquid food equipment products, including:

- The segment is currently exploring the development of industrial complex distillation systems. Additionally, the R&D teams worked on mechanical vapor recompression solutions for the Scottish whiskey industry, supporting our customers to save their energy costs and to contribute to their sustainability targets.

- The segment deeply participated in the upgrading and transformation of Chinese solid fermentation industry technology, with research and development of technology and equipment for the whole solid fermentation industry chain, in which, it focused on the equipment for key processes such as the grain processing system to improve the utilisation of grains which benefits agrifood preservation and food chain.

- The segment has recently started to participate in two public research projects concerning the development of soft sensing devices for yeast propagation and beer fermentation (Ostwestfalen-Lippe University of Applied Science and Arts) as well as basic research to virtualise purposes of liquid food plant engineering and commissioning by means of modularisation and simulation (Technical University of Munich, Weihenstephan).

SUPPLEMENTARY INFORMATION

Directors' Interests in Shares

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

Long position in the shares of the Company *(Note 1)*

Name of Director	Capacity	No. of shares held and Interests in underlying shares pursuant to share options and the restricted share award scheme	% of issued share capital *(Note 2)*
Gao Xiang	Beneficial owner	2,900,000	0.14%
Yang Xiaohu	Beneficial owner	3,120,000	0.15%
Yu Yuqun	Beneficial owner	1,450,001	0.07%
Zeng Han	Beneficial owner	1,250,000	0.06%
Wang Yu	Beneficial owner	1,170,000	0.06%
Tsui Kei Pang	Beneficial owner	750,000	0.04%
Wang Caiyong	Beneficial owner	750,000	0.04%
Yang Lei	Beneficial owner	575,000	0.03%
Wong Lai, Sarah	Beneficial owner	484,000	0.02%

Notes:

1. These information is based on the disclosure of interests forms published on the website of the Stock Exchange as at 30 June 2024.

2. The percentage is calculated based on the total number of ordinary shares of the Company in issue as at 30 June 2024, which was 2,028,277,588.

Substantial Shareholders' Interests in Shares

As at 30 June 2024, the interests and short positions of every substantial shareholder, other than the Directors and the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows (Note 1):

Substantial shareholder	Capacity	Number of shares held	% of issued share capital *(Note 2)*
China International Marine Containers (Group) Co., Ltd. ("**CIMC**")	Interest of controlled corporation	1,371,016,211 (L) *(Note 3)*	67.60%
China International Marine Containers (Hong Kong) Limited ("**CIMC HK**")	Interest of controlled corporation	190,703,000 (L) *(Note 4)*	9.40%
	Beneficial owner	1,180,313,211 (L) *(Note 3)*	58.19%
	Interests held jointly with another person	80,000,000 (S) *(Note 5)*	3.94%
Charm Wise Limited ("**Charm Wise**")	Beneficial owner	190,703,000 (L) *(Note 4)*	9.40%

Notes:

L – long position

S – short position

1. These information is based on the disclosure of interests forms published on the website of the Stock Exchange as at 30 June 2024.

2. The percentages are calculated based on the total number of ordinary shares of the Company in issue as at 30 June 2024, which was 2,028,277,588.

3. These ordinary shares comprise 190,703,000 ordinary shares held by Charm Wise and 1,180,313,211 ordinary shares held by CIMC HK. Charm Wise and CIMC HK are wholly-owned subsidiaries of CIMC.

4. These ordinary shares comprise 190,703,000 ordinary shares held by Charm Wise. Charm Wise is a wholly-owned subsidiary of CIMC.

5. Pursuant to a securities lending agreement dated 16 November 2021, CIMC HK lent 80,000,000 Shares to a borrower.

Save as disclosed above, as at 30 June 2024, (i) the register required to be kept under section 336 of the SFO recorded no other interests or short positions in the shares or underlying shares of the Company; and (ii) the Directors are not aware of any other persons or corporations who were interested in 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

Share Options

The Share Option Scheme adopted on 12 July 2006

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company on 12 July 2006 (the "**Scheme 2006**"). Its purpose is to provide incentives and rewards to employees and Directors and eligible persons for their contributions to the Group. Details of the terms thereof are set out in the Annual Report 2023.

The Scheme 2006 was terminated on 20 May 2016, after which no further share option may be granted under the Scheme 2006, but in all other respects the provisions of the Scheme 2006 remain in full force and effect and share options granted prior to such termination continue to be valid and exercisable in accordance with the provisions of the Scheme 2006.

During the six months ended 30 June 2024, no share options were granted under the Scheme 2006. A total of 28,741,000 options granted under the Scheme 2006 previously were lapsed during the six months ended 30 June 2024. As at 30 June 2024, there were no outstanding share options granted under the Scheme 2006, and hence no Shares may be further issued under the Scheme 2006.

During the six months ended 30 June 2024, movements of the options under the Scheme 2006 were as follows:

				Number of Share Options						
Grantee	Date of grant	Exercise price of options (per Share)	Exercisable period	Outstanding at 1 January 2024	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Transferred to/from other category	Outstanding at 30 June 2024
Directors										
Gao Xiang	5/6/2014 *(Note)*	HKD11.24	05/06/2016–04/06/2024	400,000	–	–	(400,000)	–	–	0
Yang Xiaohu	5/6/2014 *(Note)*	HKD11.24	05/06/2016–04/06/2024	400,000	–	–	(400,000)	–	–	0
Yu Yuqun	5/6/2014 *(Note)*	HKD11.24	05/06/2016–04/06/2024	300,000	–	–	(300,000)	–	–	0
Tsui Kei Pang	5/6/2014 *(Note)*	HKD11.24	05/06/2016–04/06/2024	300,000	–	–	(300,000)	–	–	0
				1,400,000	–	–	(1,400,000)	–	–	0
Employees	5/6/2014 *(Note)*	HKD11.24	05/06/2016–04/06/2024	22,521,000	–	–	(22,521,000)	–	–	0
Other participants *(Note 2)*	5/6/2014 *(Note)*	HKD11.24	05/06/2016–04/06/2024	4,820,000	–	–	(4,820,000)	–	–	0
Total		–	–	28,741,000	–	–	(28,741,000)	–	–	0

Notes:

1. Regarding the share options granted on 5 June 2014, subject to certain conditions as stated in the offer letter to the respective grantee, 40% of the options granted to any grantee become exercisable from 5 June 2016 and up to 4 June 2024; 30% of which become exercisable from 5 June 2017 and up to 4 June 2024; and the remaining 30% of which become exercisable from 5 June 2018 and up to 4 June 2024.

2. Other participants refer to participants who were formerly Directors or employees of the Group at the time of the relevant grant of share options, but had subsequently left the Group.

The Share Option Scheme adopted on 20 May 2016

At the annual general meeting of the Company held on 20 May 2016, an ordinary resolution was passed for the adoption of a new share option scheme (the "**Scheme 2016**") and the termination of the Scheme 2006. Upon termination of the Scheme 2006, no further option may be granted under the Scheme 2006, but in all other respects the provisions of the Scheme 2006 remain in full force and effect and options granted prior to such termination continue to be valid and exercisable in accordance with the provisions of the Scheme 2006.

The Scheme 2016 has a term of 10 years and will expire on 19 May 2026, after which no further options will be granted. The purpose of the Scheme 2016 is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants, and for such other purposes as the Board may approve from time to time. Details of the terms thereof are set out in the Annual Report 2023.

During the six months ended 30 June 2024, no share options were granted under the Scheme 2016. Previously on 21 November 2023, the Company granted share options to 208 eligible persons to subscribe for a total of 39,500,000 ordinary shares of HKD0.01 each in the capital of the Company under the Scheme 2016. No options granted under the Scheme 2016 were lapsed during the six months ended 30 June 2024.

As at 1 January 2024 and 30 June 2024, the number of options available for grant under the Scheme 2016 (after taking into account the share options granted under the Scheme 2006) was 125,419,608 and 154,160,608, respectively.

Save as disclosed above, no options were granted, exercised, lapsed or cancelled during the six months ended 30 June 2024.

During the six months ended 30 June 2024, movements of the options under the Scheme 2016 were as follows:

				Number of share options						
Grantee	Date of grant	Exercise price of options (per Share)	Exercisable period	outstanding at 1 January 2024	granted during the period	exercised during the period	lapsed during the period	cancelled during the period	transferred to/from other category	outstanding at 30 June 2024
Directors										
Gao Xiang	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	1,000,000	0	0	0	0	0	1,000,000
Yang Xiaohu	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	1,200,000	0	0	0	0	0	1,200,000
Yu Yuqun	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
Zeng Han	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
Wang Yu	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
Tsui Kei Pang	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
Wang Caiyong	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
Yang Lei	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
Wong Lai, Sarah	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	450,000	0	0	0	0	0	450,000
				5,350,000	0	0	0	0	0	5,350,000
Employees	21/11/2023 *(Note 1)*	HKD7.05	31/03/2025–20/11/2033	34,150,000	0	0	0	0	0	34,150,000
Total				39,500,000	0	0	0	0	0	39,500,000

Notes:

1. Regarding the share options granted on 21 November 2023, subject to certain conditions as stated in the offer letter to the respective grantee, up to one-third of the options granted to any grantee shall become exercisable from 31 March 2025 and up to 20 November 2033; up to two-third of which shall become exercisable from 31 March 2026 and up to 20 November 2033; and 100% of which shall become exercisable from 31 March 2027 and up to 20 November 2033.

2. Regarding the share options granted on 21 November 2023, (i) for grantees who are directors (other than independent non-executive Director) or employee of the members of the Group, the exercise of the share options is subject to his/her fulfillment of performance growth and performance appraisal-related indicators (including Group-wise financial performance targets and/or personal appraisal targets) as set by the Board; and (ii) the share options granted to independent non-executive Directors are not subject to any performance target. For further details, please refer to the announcement of the Company dated 21 November 2023.

3. The closing price of Shares immediately before the date on which the share options were granted is HKD7.04 (for share options granted on 21 November 2023).

As at 30 June 2024, (i) the total number of Shares that may be issued in respect of share options granted under the Scheme 2016 was 39,500,000 Shares, representing approximately 1.96% of the weighted average number of Shares in issue for the six months ended 30 June 2024; and (ii) the total number of Shares that may be issued in respect of all share options granted under the Scheme 2006 and Scheme 2016 was 39,500,000 Shares, representing approximately 1.96% of the weighted average number of Shares in issue for the six months ended 30 June 2024.

Share Award Scheme 2020

The Company adopted Share Award Scheme 2020 (the "**Award Scheme 2020**") on 3 April 2020. The purposes of the Award Scheme 2020 are (a) to provide eligible participants with an opportunity to own Shares in the Company thereby aligning the interests of the eligible participants with that of the Shareholders; (b) to incentivise eligible participants to benefit from value enhancement through delivery of performance targets; and (c) to encourage and retain Eligible Participants to make contributions to the long-term and sustainable growth of the Group. As confirmed by the Directors, all Grant Shares already granted or to be granted going forward to the Participants under the Award Scheme 2020 will only be funded by existing Shares.

Subject to any early termination in accordance with the rules of the Award Scheme 2020, the Award Scheme 2020 shall be valid and effective for a period of 10 years commencing from the adoption date of Award Scheme 2020 (i.e. up to 2 April 2030). The details of the Award Scheme 2020 are disclosed in the announcement of the Company dated 3 April 2020.

The Company entered into a trust deed with the Trustee to constitute the trust in connection with the Award Scheme 2020 for the purpose of the grant of Grant Shares to selected participants from time to time.

Since adoption of the Award Scheme 2020 and up to 30 June 2024, the trustee had purchased in total 40,198,000 shares of the Company under the Award Scheme 2020, among which, 39,198,000 shares of the Company had been purchased by the Trustee since adoption of the Award Scheme 2020 and up to 31 December 2022 under the Award Scheme 2020. Further, during the year ended 31 December 2023, 700,000 Shares were purchased by the Trustee on the market for the purpose of the Award Scheme 2020. Moreover, since 1 January 2024 up to the date of this report, 300,000 Shares were purchased by the Trustee on the market for the purpose of the Award Scheme 2020.

As at 1 January 2024, the remaining number of Shares which may be further purchased or issued pursuant to the Award Scheme 2020 was 311,691 Shares. Further, as at 30 June 2024 and as at the date of this report, the remaining number of Shares which may be further purchased pursuant to the Award Scheme 2020 was 11,691 Shares, representing approximately 0.001% of the issued shares of the Company as at the date of this report.

Details of the movements of the Grant Shares granted under the Award Scheme 2020 during the six months ended 30 June 2024 are as follows:

Grantee	Date of Grant	Number of Grant Shares	Subscription price (per Share)	Closing price of Shares immediately before the date of grant of the Grant Shares	Number of Grant Shares: Granted but not vested as at 1 January 2024	Granted and held by the Trustee (During the six months ended 30 June 2024)	Vested *(Note 2)* (During the six months ended 30 June 2024)	Lapsed (During the six months ended 30 June 2024)	Cancelled (During the six months ended 30 June 2024)	Granted but not vested as at 30 June 2024	Vesting Period *(Note 3)*
Directors											
Gao Xiang	17 November 2021 *(Note 1)*	1,200,000	HKD3.7	HKD9.2	400,000	-	400,000	-	-	-	April 2022 to April 2024
Yang Xiaohu	17 November 2021 *(Note 1)*	1,200,000	HKD3.7	HKD9.2	400,000	-	400,000	-	-	-	April 2022 to April 2024
Yu Yuqun	17 November 2021 *(Note 1)*	800,001	HKD3.7	HKD9.2	266,667	-	266,667	-	-	-	April 2022 to April 2024
Zeng Han	17 November 2021 *(Note 1)*	600,000	HKD3.7	HKD9.2	200,000	-	200,000	-	-	-	April 2022 to April 2024
Wang Yu	17 November 2021 *(Note 1)*	600,000	HKD3.7	HKD9.2	200,000	-	200,000	-	-	-	April 2022 to April 2024
Tsui Kei Pang	17 November 2021 *(Note 1)*	300,000	HKD3.7	HKD9.2	100,000	-	100,000	-	-	-	April 2022 to April 2024
Wang Caiyong	17 November 2021 *(Note 1)*	300,000	HKD3.7	HKD9.2	100,000	-	100,000	-	-	-	April 2022 to April 2024
Yang Lei	3 April 2023 *(Note 1)*	125,000	HKD3.7	HKD7.6	100,000	-	100,000	-	-	-	April 2023 to April 2024
Wong Lai, Sarah	26 March 2024 *(Note 1)*	34,000	HKD3.7	HKD7.28	-	34,000	34,000	-	-	-	April 2024
Zhang Xueqian (ceased to be an independent non-executive Director on 30 September 2022) *(Note 4)*	17 November 2021 *(Note 1)*	300,000	HK$3.7	HK$9.2	-	-	-	-	-	-	April 2022 to April 2024
Yien Yu Yu, Catherine (resigned to be an independent non-executive Director on 24 August 2023) *(Note 5)*	17 November 2021 *(Note 1)*	300,000	HKD3.7	HKD9.2	66,000	-	66,000	-	-	-	April 2022 to April 2024
Employees											
Top 4 highest paid individuals (excluding Directors)	17 November 2021 *(Note 1)*	1,410,000	HKD3.7	HKD9.2	-	-	-	-	-	-	April 2022

Grantee	Date of Grant	Number of Grant Shares	Subscription price (per Share)	Closing price of Shares immediately before the date of grant of the Grant Shares	Number of Grant Shares Granted but not vested as at 1 January 2024	Granted and held by the Trustee	Vested *(Note 2)*	Lapsed	Cancelled	Granted but not vested as at 30 June 2024	Vesting Period *(Note 3)*
						(During the six months ended 30 June 2024)					
Other Employees	17 November 2021 *(Note 1)*	26,314,005	HKD3.7	HKD9.2	7,608,335	-	7,548,335	60,000	-	-	April 2022 to April 2024
	26 May 2022 *(Note 1)*	65,000	HKD3.7	HKD8.11	-	-	-	-	-	-	26 May 2022
	14 July 2022 *(Note 1)*	300,000	HKD3.7	HKD8.20	-	-	-	-	-	-	14 July 2022
	7 December 2022 *(Note 1)*	2,626,708	HKD3.7	HKD7.99	722,000	-	707,000	15,000	-	-	April 2023 to April 2024
	13 November 2023 *(Note 1)*	2,419,730	HKD3.7	HKD6.63	2,419,730	-	2,419,730	-	-	-	April 2024
	26 March 2024 *(Note 1)*	30,000	HKD3.7	HKD7.28	-	30,000	30,000	-	-	-	April 2024
Total		38,924,444			12,582,732	64,000	12,571,732	75,000	-	-	

Notes:

1. Other than the Subscription Price which shall be paid by the participants at the prescribed time according to the terms of the Award Scheme 2020, no other payment is required for acceptance of the grant of the Grant Shares.

2. The weighted average closing price of the shares immediately before the dates on which the Grant Shares were vested during the six months ended 30 June 2024 was (i) HKD7.68 (for all grants dated 17 November 2021); (ii) HKD7.68 (for all grants dated 7 December 2022); (iii) HKD7.68 (for all grants dated 3 April 2023); and (iv) HKD7.28 (for all grants dated 26 March 2024).

3. The vesting is subject to the fulfilment of the relevant vesting conditions (including (i) the achievement of relevant level of net profits of the Group for the relevant year as determined by the Board (applicable to all participants other than the independent non-executive Directors); and (ii) achievement of relevant personal appraisal target (applicable to participants who are not Directors).

4. In April 2022, the first tranche of the Grant Shares (i.e. 100,000 Grant Shares) were vested to Mr. Zhang Xueqian. Following the cessation of Mr. Zhang as an independent non-executive Director on 30 September 2022, 75,000 Grant Shares (being the portion of second tranche of Grant Shares granted to Mr. Zhang in proportion to the number of days of his tenure as an independent non-executive Director in 2022) shall remain valid and be vested in April 2023. On the other hand, the remaining 125,000 Grant Shares (being the remaining portion of the second tranche of Grant Shares and the third tranche of Grant Shares granted to Mr. Zhang) had lapsed.

5. In April 2022 and April 2023, the first and second tranche of the Grant Shares (i.e. 100,000 and 100,000 Grant Shares, respectively) were vested to Ms. Yien Yu Yu, Catherine. Following the resignation of Ms. Yien Yu Yu, Catherine as an independent non-executive Director on 24 August 2023, 66,000 Grant Shares (being the portion of the third tranche of Grant Shares granted to Ms. Yien Yu Yu, Catherine in proportion to the number of days of her tenure as an independent non-executive Director in 2023) were vested to Ms. Yien Yu Yu, Catherine in April 2024. On the other hand, the remaining 34,000 Grant Shares (being the remaining portion of the third tranche of Grant Shares granted to Ms. Yien Yu Yu, Catherine) had lapsed during the year ended 31 December 2023.

As at 1 January 2024 and 30 June 2024, the number of Grant Shares available to be further granted under the Award Scheme 2020 was 3,880,414 and 3,891,414, respectively.

The fair values of the Grant Shares granted under the Award Scheme 2020 during the six months ended 30 June 2024 are as follows:

Date of Grant	Number of Grant Shares	Fair value per Grant Shares at date of grant
26 March 2024	64,000	HKD7.16

For further details of the fair value of the Grant Shares granted under the Award Scheme 2020, please refer to note 18 to the financial statements.

Chemical and Environmental Business Unit Equity Incentive Scheme

The Company adopted Chemical and Environmental Business Unit Equity Incentive Scheme on 27 November 2020, to recognize past and present contributions and to incentivise the future contributions by the participants to the Chemical and Environmental Business Unit.

According to Chemical and Environmental Business Unit Equity Incentive Scheme, incentive equity interest will be granted to the participants through the partnership platforms by way of subscribing for new share capital in CIMC Safeway Technologies Co., Ltd. (中集安瑞環科技股份有限公司) ("**CIMC Safeway**"). Mr. Gao Xiang, Mr. Yang Xiaohu, Mr. Yu Yuqun, Mr. Zeng Han, Mr. Wang Yu, the Directors of the Company have subscribed for new share capital of CIMC Safeway, which represent approximately 0.28%, 1.86%, 0.11%, 0.11% and 0.11% of the share capital of CIMC Safeway as at 30 June 2024, respectively. The details are disclosed in the announcement of the Company dated 27 November 2020.

Liquid Food Business Unit Equity Incentive Scheme

The Company adopted Liquid Food Business Unit Equity Incentive Scheme on 8 June 2022, to recognise past and present contributions and to incentivise the future contributions by the participants to the Liquid Food Business Unit.

According to Liquid Food Business Unit Equity Incentive Scheme, incentive equity interest will be granted to the participants through the partnership platforms by way of subscribing for new registered capital in CIMC Liquid Process Technologies Co., Ltd. (中集安瑞醇科技股份有限公司) ("**CLPT**"). Mr. Gao Xiang, Mr. Yang Xiaohu, Mr. Zeng Han, Mr. Wang Yu, the Directors of the Company have subscribed for new registered capital of CLPT under the Liquid Food Business Unit Equity Incentive Scheme, which represent approximately 0.59%, 1.18%, 0.10% and 0.10% of the registered capital of CLPT at 30 June 2024, respectively. The details are disclosed in the announcement of the Company dated 8 June 2022.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the Company's code of conduct regarding Directors' transactions of the securities of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code in their securities transactions throughout the six months ended 30 June 2024.

Corporate Governance

The Company complied with all the code provisions of the Corporate Governance Code set out in part 2 of in Appendix C1 to the Listing Rules, throughout the six months ended 30 June 2024.

The latest corporate governance report of the Company is set out in the Annual Report 2023. Details of each of the audit committee, the remuneration committee, the nomination committee and sustainable committee of the Company are also provided in the same report.

The audit committee of the Company has reviewed and discussed with management the unaudited financial report of the Group for the period.

Audit Committee and Other Board Committees

The Audit Committee comprises four Independent Non-executive Directors. The primary duties of the committee are, amongst other things, to review and supervise over the Group's financial reporting procedures, risk management and internal control systems. The Audit Committee has reviewed and discussed with management the unaudited interim financial report of the Group for the six months ended 30 June 2024.

In addition, the Board has established a Remuneration Committee, a Nomination Committee and a Sustainable Committee. Remuneration Committee and Nomination committee has a majority of Independent Non-executive Directors. Sustainable Committee has one executive Director and two non-executive Directors.

Full terms of reference of the above-mentioned committees are available on request or on the websites of Hong Kong Exchanges and Clearing Limited and the Company respectively.

Biographical Details of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the biographical details of Directors since the publication of the Annual Report 2023 and up to 30 June 2024 are set out below:

1. Mr. Yang Xiaohu is serving as the chairman of the board of CIMC Liquid Process Technologies Co., Ltd. (中集安瑞醇科技股份有限公司) (a subsidiary of the Company quoted on the National Equities Exchange and Quotations);

2. Mr. Wang Caiyong is no longer be the president of China Institute of Internal Audit Transportation Branch since April 2024, and the managing director of China Institute of Internal Audit since June 2024; and

3. Mr. Tsui Kei Pang, was appointed as an Independent Non-executive Director on 28 June 2024 of ZTE Corporation (a company listed on the Shenzhen Stock Exchange (stock code: 000063) and the main board of the Stock Exchange (stock code: 763)).

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2024, the trustee of the Award Scheme 2020 purchased 300,000 shares on the Stock Exchange pursuant to the terms of the trust deed under the Award Scheme 2020.

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including sale of treasury shares (as defined under the Listing Rules), if any) of the Company during the six months ended 30 June 2024. The Company does not have any treasury shares as at 30 June 2024.

OTHER INFORMATION

According to paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed herein, the Company confirms that the information of the Company in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not changed materially from the information disclosed in the Company's 2023 annual report.

Directors

As at the date of this report, the Board consists of Mr. Gao Xiang (Chairman) as non-executive Director; Mr. Yang Xiaohu (President) as executive Director; Mr. Yu Yuqun, Mr. Zeng Han and Mr. Wang Yu as non-executive Directors; and Mr. Tsui Kei Pang, Mr. Wang Caiyong, Mr. Yang Lei and Ms. Wong Lai, Sarah as independent non-executive Directors.

By order of the Board
Gao Xiang
Chairman

Hong Kong, 22 August 2024

CIMC Enric Holdings Limited
中集安瑞科控股有限公司

Suites 1902-3, 19th Floor, Bank of America Tower, No.12 Harcourt Road, Central, Hong Kong
香港中環夏慤道12號美國銀行中心19樓1902-03室

Tel 電話：(852) 2528 9386
Fax 傳真：(852) 2865 9877
Email 電郵：ir@enric.com.hk
Website 網址：www.enricgroup.com
IR Portal 投資者關係連結：https://www.enricgroup.com/ircommunication

Headquarters in the PRC 中國總部
CIMC R&D Center, No. 2 Gangwan Avenue, Shekou Industrial Zone
Shenzhen, Guangdong, The PRC
中國廣東省深圳蛇口工業區港灣大道2號中集集團研發中心

Tel 電話：(86) 755 2680 2312 / (86) 755 2680 2134
Email 電郵：ir@enric.com.hk