

CIMC TODAY

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中集集团上半年营收增幅逾三成

中集集团拟将旗下车辆业务分拆上市

中集设计建造出国际一流超级游艇

中集天达控股收购消防车企业沈阳捷通

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CIMC plans to spin off its vehicles segment
 CIMC is the first Chinese company to design and build a world-class super yacht
 CIMC-TianDa Holdings enters the deal to acquire 60% stake in Shenyang Jietong

CIMC ANNOUNCES AN OVER 30% INCREASE IN ITS 2018 INTERIM REVENUE



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CIMC 中集

Preface

September 22, 2018 marked the 36th anniversary of CIMC's formal production. On the same day 36 years ago, the Group set off on a journey of heroic start-up at Shekou, the birthplace of China's precious practices of reform and opening up. Over the years, CIMC has undergone radical changes: from the verge of bankruptcy to the top of global container industry, from diverse and global operations and a number of products at world championship level to transformation and upgrading, innovation and start-ups, each and every solid step forward has been chronicled in the history of reform and opening-up practices.

Thanks to the continued mild global economic recovery and extraordinary achievement made in the Group's transformation and upgrading, CIMC reported an over more than 30% surge in its interim revenue to around 43.56 billion yuan. The net profit attributable to shareholders of the parent company and to other stakeholders exceeded that in the same period last year and amounted to 965 million yuan.

In the past few months, CIMC unveiled the world's first futuristic container product for long-distance transportation in extremely low temperature; CIMC Enric entered into strategic cooperation with the MGI Group, representing CIMC worked on the spinoff of its vehicle segment, and it is expected that the spinoff will bring multiple positive impacts; CIMC Enric's successful access to Bangladesh chemical storage and transportation market; CIMC SOE secured the order for the world's first VOC modules and became the first manufacturer of the high-end intelligent offshore engineering equipment in the world; CIMC Enric finalized an over 20 million yuan hydrogen tube trailer deal with APD (Nanjing); CIMC Raffles won the order for 2 deepwater net cages; CIMC Logistics provided CRCC with cross-border and all-the-way logistics solutions to the dredging of dock basin and channel at Cambodian Kampot Deepwater Special Economic Zone; CIMC-TianDa announces a 172% revenue increase in its first interim report; CIMC Leasing issued its first off-balance-sheet asset-backed securities; CIMC Industry& City planned to build a world-class low-orbit satellite Internet of Things industrial park; C&C Trucks became the 2018 CILTEC Gold winner; CIMC signed a 475 million yuan agreement with China LNG Group; CIMC got a head start in accessing to Hong Kong's modular building market...

These new changes, including the intelligent logistics, intelligent manufacturing and product innovations, are speeding up CIMC's transformation, upgrading and quality growth.

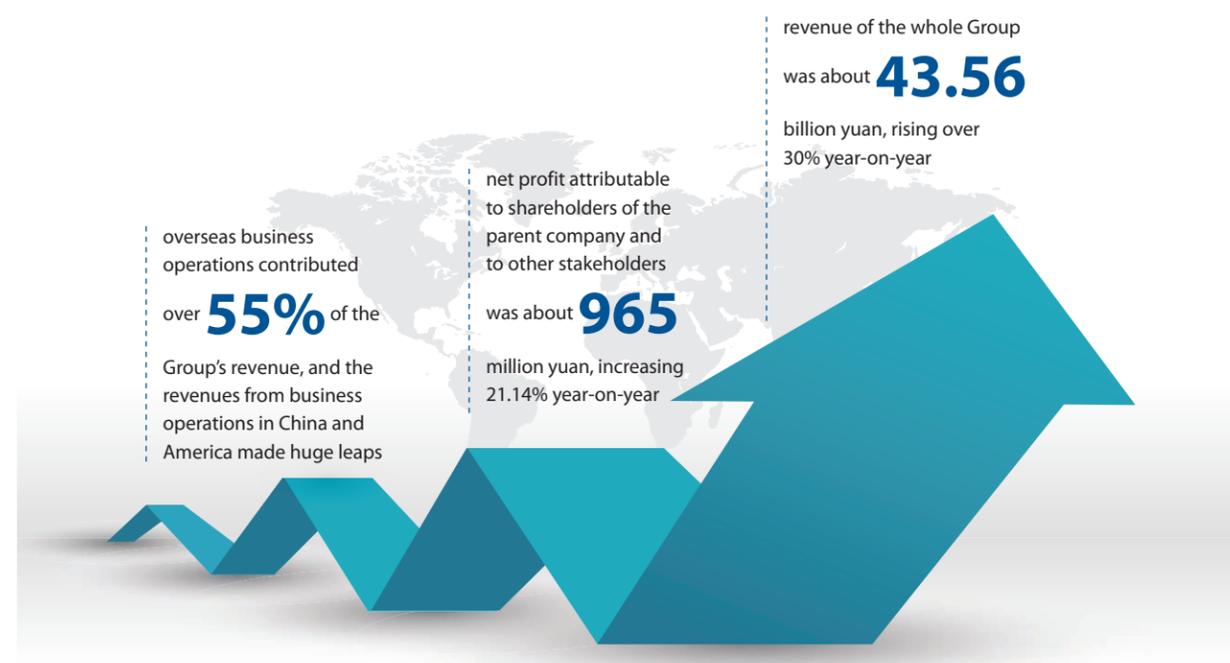
Please join hands with CIMC for the new chapter of splendid courses and great accomplishments. At the same time, we will remain committed to our mission and entertain our readers with more stories about further growth of the whole Group.

Editorial Office of *CIMC Today*

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中国国际海运集装箱(集团)股份有限公司
CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) LTD.

CIMC announces an over 30% increase in its 2018 interim revenue



CIMC launched the 2018 interim revenue report on August 28. Due to the continued mild global economic recovery, continuous increase in international trade, and rebound and growth on some local markets within the emerging economies in the first 6 months, revenue of the whole Group was about 43.56 billion yuan, rising over 30% year-on-year; net profit attributable to shareholders of the parent company and to other stakeholders was about 965 million yuan, increasing 21.14% year-on-year.

The report reveals that a large number of major business segments under the Group continued the growth momentum in the first quarter. Among them, revenues of the Container Segment and the Airport Facilities Segment grew tremendously; revenues from road transportation vehicles, energy, chemical and liquid food equipment, heavy-duty trucks and logistics service maintained steady growth. Regionally, overseas business operations contributed over 55% of the Group's revenue, and the revenues from business operations in China and America made huge leaps.

Revenues of two largest business segments both exceeded 10 billion yuan

In the first half of 2018, thanks to the steady rise in global trade and steady and sturdy growth in container shipping volume, clients have maintained strong ability in the purchase of new containers. In addition, as water paint reconstruction of production lines successively finished, the building level of different plants improved, the production capacity of containers further increased, and the supply-demand balance contributed to the stability of prices.

Thanks to these feel-good factors, CIMC's Container Segment achieved total revenue about 16.1 billion yuan, a year-on-year increase over 60%. The accumulative sales volume of common dry containers amounted to 806,900 TEC, a year-on-year increase over 50.63%; the cumulative sales of refrigerated containers amounted to 76,600 TEU, a year-on-year increase of 118.23%. Industrial insiders predict that in 2018, the world's container trade and container shipping

capacity will remain to grow at relatively high speeds, and industrial institutions noted that container demands will continue to stay at a better level throughout the year. With further investment in resources, the Container Segment will get on the fast track to automation, informatization, digitalization and green development.

CIMC's Vehicles Segment continued its good business growth performance in the first 6 months. Its revenue increased 18.62% year-on-year to 11.53 billion yuan, net profit rose 10.24% year-on-year to 626 million yuan, and sales volume ascended 12.93% year-on-year to 92,001 units. Noteworthy, this was the first time that Vehicles Segment has achieved revenue exceeding 10 billion yuan in 6 months.

On domestic market, the Vehicles Segment has seen big rise in the order for car carriers due to further and stricter implementation of the newly released national standard – *Limits of dimensions, axle load and masses for motor vehicles, trailers, and combination vehicles* (GB1589). In addition, the increase



in the number of infrastructure projects has further boosted demands for construction vehicles. On overseas markets, CIMC Vehicles sticks to the operating principle of "Global Operation, Local Wisdom", further improves its strategic layout, and takes advantage of opportunities in the economic recovery in North America and Europe. Specifically, the robust economic growth in the US has increased the demands for skeletal shipping semitrailers, while the impressive economic growth in Eastern and Western Europe has stimulated the demands for vehicle products.

CIMC Vehicles is now in the process of transitioning to fully digital production. It saw the formal operation of two "lighthouse" production facilities – Yangzhou Tonghua and Zhumadian Huajun in 2018 after the one based in Dongguan started its digital production earlier. The upgrading has tremendously changed traditional production and management patters, greatly improved production efficiency, and enabled the company to better meet demands of clients.

Energy and Chemical Equipment, Logistics and Airport Facilities Businesses were on steady rise

In the first half, the revenue of CIMC Enric, a business segment mainly manufactures and sells energy, chemical and liquid food equipment, rose 22.23% year-on-year to 6.186 billion yuan: the revenue from energy equipment business was 2.516 billion yuan, up 16.26% year-on-year; the revenue from chemical equipment was 1.7 billion yuan, up 24.64% year-on-year; the revenue of liquid food equipment was 1.41 billion yuan, up 28.41% year-on-year.

The increase of revenue is attributed in large part to the rapid boost in the natural gas consumption stimulated by the continuous oil prices on international markets and the introduction of rigorous environmental protection requirements. In addition, the Energy, Chemic and Liquid Food Equipment Segment is committed to the "quality growth" and the improvement of its core technological strength and business

competitiveness. CIMC Enric has conducted a large number of R&D programs, such as fuel tanks for large LNG carriers, new-type LNG refueling stations, safe LNG semitrailers featuring new structures, satisfying new standards and using new materials, skid-mounted LNG refueling stations for global users, and equipment and provision system for ships powered by LNG fuels, and expanded the scope of its research and development efforts in new energies, such as devices and technologies related to the upstream, midstream and downstream of hydrogen energy industry.

CIMC Raffles, a business segment manufactures and sells offshore engineering equipment, remained in deficit in the first half due to continued industrial growth slowdown, but the industry has gradually turned the corner. As the OPEC cut its production more than expected, the crude oil market embraced great growth momentum with oil price rising back to \$70 a barrel. In the long run, the crude oil market was in a slow recovery mixed with the fluctuation and rise of demands; global offshore



engineering equipment and operation market continued to grow and recover with further improvement of equipment utilization rate. In this context, CIMC Raffles has seen the rise in activated orders and newly secured orders, such as the CR600, a semi-submersible accommodation platform with CIMC's complete intellectual property rights passed tests of the Petrobras and began to serve the leasee; the production of newly ordered FPSO (floating production storage and offloading) equipment formally started at the end of March; the Nordlaks deepwater aquaculture order worth of 106 million dollars came into effect in February; and orders for 800-passenger ships, aquafarm platforms and net cages totaling 25 million dollars also became effective.

CIMC Raffles has been committed to independent innovations for years and made exceptional achievements. It came out with world-acclaimed Blue Whale One last year, and has successively launched multiple innovative products, such as the offshore kitchen platform to supply the banquet

service for SCO Qingdao Summit, and Illusion Plus, the largest superyacht that set off on a maiden voyage in August. Its innovative efforts were highly appreciated by leaders of the central government. On June 13, 2018, Chinese President Xi Jinping visited Yantai Manufacturing Base of CIMC Raffles, heard report on the company's efforts in independent design, R&D and manufacture of high-end offshore equipment and its independent innovation achievements and encouraged the company to achieve further breakthroughs.

Thanks to the big increase in rail-water transportation business, CIMC Logistics achieved the revenue of 4.06 billion yuan, a year-on-year increase of 8.3%. CIMC Kaitong, a logistics service company under the Group, has established an international block train joint venture platform to contribute to the successful implementation of central government's "One Belt, One Road" Initiative. From January to June, it ran 53 block trains, transported 5,315 TEU of products and completed the full coverage of the east,

west and central Europe with China Railway Express; Sino-Worlink International Logistics Co., Ltd. attached great attention to the development of intermodal transportation business such as automobile logistics, cold chain logistics and project logistics, and improved its domestic and overseas network deployment. It is noteworthy that the deeper cooperation with China Railway Special Cargo Automobile Logistics Co., Ltd. in the first half has enabled CIMC logistics to make significant breakthrough in international passenger vehicle transportation and become the logistics service supplier of international carmakers such as BMW and Volvo.

C&C Trucks turned the tables and notched up a handsome win in heavy-duty truck business in the first six months. With its sales volume rising 24.45% year-on-year to 5,523 units and sales income increasing 26.26% to 1.62 billion yuan, the company successfully turned losses into profits. According to the analysis in the interim report, the increases are mainly attributable to the steady growth in the investments in fixed assets such as

the construction of infrastructure, and the upgrading of vehicles such as car carriers and National III Standard diesel vehicles. At the same time, C&C Trucks implemented robust marketing policies and launched the "One dealership, One policy" support program to boost the sales of major products on different markets. It also developed a series of adaptive vehicles such as dumpers special for Shenzhen Municipal Government, LNG harbor vehicles, low-roof coal vehicles and electric vehicles powered by new energies; on international markets, it initially extended business reach to emerging markets such as Poland and Mongolia based on the achievements made on Southeast Asia markets and Central Asia markets through cross-border trades.

The airport facilities business achieved big increase in the first half with sales income rising 48.12% year-on-year to 1.75 billion yuan. Early this year, the Airport Facilities Segment made a big move on capital market. CIMC became the majority shareholder after disposing its equity interests respectively held in Pteris Global to China Fire Safety Enterprise Group Limited (CFE) and changed the name of CFE to CIMC-TianDa. With the finalization of the equity restructuring, CIMC-TianDa became another independent financing platform of the Group and embraced the product portfolio of airport facilities (including GSE), firefighting trucks and rescue equipment, automatic logistics equipment, and intelligent parking system. In order to further improve the firefighting equipment business, CIMC-TianDa acquired a 60% stake in Shenyang Jietong in July— the biggest player on domestic aerial firefighting trucks market.

In addition, CIMC Industry & City and multiple local governments entered into strategic cooperation agreements on the integration of cities and industries, which laid solid foundations for the sustainable development of businesses. CIMC Finance that is established to serve the development of industries continued to improve its operating efficiency and maintained safe and healthy development.

Modular Buildings and Intermodal Transportation Businesses continued to expand

In addition to the progresses made in the 8 major business segments, CIMC also made steps forward in its innovative businesses. The Modular Building Business Segment continued to enhance its global presence: with the completion of early-stage designs for multiple British hotel projects, it was expected that the Segment would secure batch orders within the year, while the successful delivery of student apartments to New Castle University would further improve CIMC's market influence; successful delivery of its first project in the US; the formal access to high-floor hotels and public security service fields in Australia and New Zealand; the breakthroughs in obtaining market access qualification and intention orders on Iceland market; the successful completion of Djibouti Project on African markets.

In China, the office buildings and hotels constructed with Xiong'an Quality and Xiong'an Speed was delivered to the Civic Service Center of Xiong'an New Area and put into operation. At the same time, CIMC Modular Building Business Segment gradually pushed forward the technical access to Hong Kong, and achieved a significant breakthrough in the market segment after winning the bid for the construction of Hong Kong Zero Carbon Building. More importantly, the *Technical Specification for Box Steel Prefabricated Prefinished Volumetric Building*, which was jointly developed by CIMC Modular Building Business Segment and China Association for Engineering Construction Standardization, might be issued for implementation within the year.

In the first 6 months, CIMC Intermodal Development Co., Ltd grew at a faster speed, its coordinated development of railway, road and water transportation businesses tended to be at an advantage on markets, and its operating efficiency gradually improved. In terms of channel and network deployment, the company

further improved its block container trains business by seizing the opportunity of railway cargo transportation reform, and extended its businesses to East China, South China, Central China, North China and the southwest and northwest of China. Besides, the rapid build-up of controllable ship transportation strength improved the establishment of a ship transportation platform and further accelerated the integration and raised the benefit of bulk cargo transportation businesses in coastal areas. It also speeded up the optimization of business operation management platform, and continuously promoted the application of mobile Internet, Internet of Things and other new technologies in practical businesses.

In the second half of 2018, CIMC will continue to take the combination of manufacture, service and finance as its core, promote the transformation and upgrading of its businesses by centering around intelligent manufacturing and intelligent logistics, extend its businesses from manufacture to services with customers' demands as the orientation, and provide comprehensive solutions throughout the whole service life of products. It will further improve global operation performance, optimize businesses and assets, accelerate the industrial agglomeration, cultivate advantages in industrial chains; make continuous innovations in technical upgrading, business models and management mechanism and exercise proper control; follow the changes in market trends, and access to emerging industries and start innovative businesses, so as to achieve sustainable quality growth.

CIMC plans to spin off its vehicles segment

CIMC announced on August 9 that the proposal for CIMC Vehicles (Group) Co., Ltd to go public outside the Chinese mainland had been approved by the board of directors, and CIMC Vehicles will commence trading on the Main Board of the Stock Exchange of Hong Kong Limited. If the spinoff works, CIMC will have one more independent going public platform besides its airport facilities and firefighting equipment and energy, chemical and food equipment businesses. Currently, CIMC Vehicles is one of manufacturing business segments with most growth potential and best global operation performance under the Group. It is expected that the spinoff will help with further expansion of the vehicles business and create more benefits for shareholders of CIMC.

The Vehicles Segment ranks second place in CIMC

CIMC Vehicles is a business segment with core competitiveness and global presence. In 2002, CIMC made a brave attempt to manufacture road transportation vehicles after it became the largest container producer in the world. Over the years, CIMC Vehicles has established mature R&D system, manufacturing system and marketing and sales system and extended its business reach to global markets. So far, the company has its products and services offered and well received in China, North America, Europe and emerging market (including Australia, Southeast Asia and Africa), and

has formed balanced development pattern on global market. By way of acquisition and self-construction, it has also set up 25 manufacturing and R&D facilities worldwide and provides jobs to local residents in different countries and regions. Today, CIMC Vehicles has become the second largest business segment of CIMC in terms of operating revenue.

In recent years, CIMC Vehicles has invested more resources in digitalizing and intelligentizing its production lines and products. In 2016, it built the plant for the manufacture and provision of semitrailer parts and components for global users in Dongguan, Guangdong Province. The new plant achieves the mass production

of semitrailers in a modular, automatic and flexible manner, which has improved the quality of products, solved the difficulty in mass production due to the variety of traditional semitrailer products and has been highly recognized by the industry.

Currently, the manufacture updating program, also known as Lighthouse Plant, has been further improved and used in CIMC Vehicles' production facilities in Yangzhou, Jiangsu Province and Zhumadian, Henan Province. Among them, the Yangzhou plant was formally put into operation in August.

Spinoff of the Vehicles Segment will bring multiple positive impacts

The appraisal by the Board Secretary's Office of CIMC points out that though the equity held by the Group in the Vehicles Segment will be diluted after CIMC Vehicles spins off and successfully raises funds on market, yet its market value will be tremendously increases. In addition, the spinoff will enable capital markets to carry out independent valuations of high-quality business segments under CIMC, and this will help further improve the valuation level of the whole Group.

Obviously, the spinoff will bring more benefits to CIMC Vehicles: on one side, it will provide the company with an independent, persistent, stable and highly efficient capital operation platform; on the other side, it will provide more diversified fund-raising channels for the business development.

The spinoff will also help CIMC Vehicles create nicer and more clean-cut brand image in the industry, attract more international capital inflow, improve its international presence, expand its overseas businesses, and bring its businesses to a new level.



CIMC unveils the world's first futuristic container product for long-distance transportation in extremely low temperature

A China Railway Express fully loaded with electronic products recently left Chongqing for Europe. Different from previous transportation of goods with common cargo tanks, the world's first independent thermo-regulated containers developed and manufactured by Qingdao CIMC Special Reefer Co., Ltd. (QCSC) were used to ensure the success of this special transportation task.

The futuristic product which was successfully developed and put into mass production in 2013 has solved the problem to transport electronic products in extremely low temperature and technologically enabled regular cargo transportation by Chongqing-Xinjiang-Europe international railway.

In the past, when a China Railway Express crossed the Eurasian Land Bridge in winter, it failed to transport some specific types of goods since there would be an overstay due to repeated verifications and inspections of goods by customs, a delayed communication about the train information,

a series of newly added operating formalities due to inconsistent shipping bills, and a temperature difference as high as 70°C. Therefore, sometimes this route cannot function normally and regularly. Though most of problems have been solved thanks to exploratory attempts, yet the difficulty in transporting certain types of goods in winter remains to be an issue demanding great attention.

For example, when Chongqing-Xinjiang-Europe international railway began to offer transportation services, most goods transported via this route were from IT companies. However, the performance of IT goods such as laptops and LCD monitors will be destroyed and the transportation safety was severely endangered in winter, since IT products are sensitive to low temperature and should be stored in a temperature no lower than -20°C, but the freight rail route runs through 6 countries that have longer duration of winter days, a lowest temperatures of -40°C, and a temperature difference as high as 70°C.

To solve the problem completely, QCSC began the R&D of energy storage products from 2012, and successfully mastered the independent thermo-regulated container technology in the end and quickly applied it in mass production. This is the first time for human beings to use natural environment to store energy, which makes it possible for the long-distance transportation of electronic products in extremely low temperature.

The thermo-regulated containers quickly came under the spotlight after it was launched on markets. So far, over 800 products have been handed over to users nationwide and are well received for its high quality and exceptional performance. It is convinced that the futuristic product featuring zero energy consumption and zero pollution will be more and more popular on markets.



CIMC Vehicles completes the eye-catching upgrading of its digital production facility



CIMC Tonghua Super Magellan Digital Production Facility, a new digital plant of CIMC, was formally erected in Yangzhou, Jiangsu Province on July 28. Aiming to be a leading digital production line of special-purpose vehicles in the world, Magellan will transform traditional production and management models, manufacture special vehicles in the way that commercial vehicles are made, significantly improve its production efficiency and tremendously shorten the time for delivery of products.

According to Xia Aijun, general manager of CIMC Tonghua Digital Semitrailer Factory, Magellan, also known as digital coaching workshop project, was formally initiated in August 2016, and CIMC Tonghua was designated by the Group to undertake the implementation of the project. With Magellan, CIMC takes the lead in China to carry out the exploration and practice of intelligent manufacturing of special-purpose

vehicles, and has successively completed the design of whole production processes from raw materials preparation with laser and robotic tailor welding to the combination of KTL electrophoresis and powder spraying and coating. At the same time, the new production line embrace digital management approaches such as PLM (product lifecycle management) and MFS (manufacture execution system), more abundant contents and more profound meaning.

"The Super Magellan Digital Semitrailer Plant is equipped with national advanced and world leading digital special-purpose vehicles production lines", said Dr. Li Xiaofu, Technical Supervisor of CIMC Vehicles, "with modularized design, automatized production and digitalized management, we will be able to greatly improve the production efficiently, shorten the product delivery time, and achieve zero emission of VOCs (volatile organic compounds)."

With "Modular Working Island" – a new model integrated with modularized product design for flexible production, Magellan is capable of flexibly manufacturing vehicles of multiple models with mixed production lines. It will meet clients' demands for personal configuration of products with a limited number of modules.

"Simply speaking, Magellan is not merely a transformation or upgrading of traditional assembly lines, and it is more like a revolution. Magellan produces small parts and components in a collective manner, and then assemble them according to clients' requirements in the way of putting building blocks together", said Zhang Shiwei, Director of CIMC Vehicles' Automatic Manufacturing Technology Center, "this will not only satisfy the needs of flexible production, but also greatly improve production efficiency."

CIMC Huajun's new car carriers roll off the digital and modular production line

CIMC Huajun held the "Celebration of Car Carriers' Rolling off the Digital and Modular Production Line & Seminar for VIP Car Carrier" at Zhumadian, Henan Province on August 30. Over 100 representatives from different car carrier logistics companies attended the celebration.

According to Xu Guohong, General Manager of CIMC Huajun Car Carrier Plant, the program to manufacture car carriers with digital and modular production line has specially established a platform for modularized configuration of products, and adopted advanced digital and modular designing model integrating full three-dimensional

design, simulation and analysis. To ensure the exceptional quality of products, the program uses advanced laser equipment for raw materials preparation, KTL electrophoresis and powder spraying techniques, and high-end manufacturing and designing processes. In particular, as the embodiment of CIMC Vehicles' superior technological strength, the program has revolutionized the labor-intensive manufacturing model in special-purpose vehicle sector.

President of CIMC Huajun Guo Xizhou noted that to bridge the gap between Huajun and European and American enterprises, the company has been committed to the

"professional, targeted, precision-oriented and innovation-centered" upgrading and adjustment over the past two years, and is now carrying out a series of transformation and innovation: on one side, CIMC Huajun continues to lead the industrial progress by upgrading production lines and achieving intelligent manufacture; on the other side, CIMC Huajun contributes to the success of its clients by reshaping its organization and restricting its systems. Such transformations and adjustments are all for the purpose of establishing more convenient and efficient communication channels, manufacturing high-quality products, and offering faster and human-centered services.

Word mark "中集华骏" officially rated as a famous trademark of China

The word mark "中集华骏" (CIMC Huajun) passed the examination and was formally rated as a famous trademark of China by the Trademark Office of The State Administration for Industry & Commerce of China.

The trademark is owned by Zhumadian CIMC Huajun Vehicles Co., Ltd, a core production facility of CIMC Vehicles. In December 2015, CIMC Huajun got its figurative mark rated as a famous trademark. On this basis, the company has intensified trademark application, protection and promotion effort, and made new breakthrough in the trademark and brand strategy and substantially improved its influence.

Over the years, CIMC Vehicles has been sticking to the trademark and brand strategy, putting brands at the top of its development agenda, and encouraging its member companies to file applications for famous trademarks, accelerate the process of upgrading production lines and reshaping organizations, build up the awareness to reinvigorate enterprises with brands, and promote the construction of trademarks and brands.



CIMC Vehicles launches intelligent dumpers to respond to Shenzhen's elimination of traditional dumpers

Shenzhen CIMC Special-purpose Vehicle Complex (SCSVC) launched the new type fully enclosed intelligent dumpers based on LNG environmentally friendly chassis at Shenzhen's First fully enclosed intelligent dump truck exhibition and vehicle list release conference on September 7.

Shenzhen People's Municipal Government announced that the city will eliminate all in-use traditional dumpers once and for all before May 31, 2019 to solve the increasingly urgent traffic safety problems and environmental pollution caused by dumpers. Yao Zhigang, Deputy General Manager of SCSVC, noted that Shenzhen will need a total number of 13,000 new dumpers as of May 31,

2019, saying "our products have totally met the local standard and proved to generate no drops of construction wastes due to advanced designs. Besides, our factory is recognized as one of best players in terms of mass production conditions and modification performance in South China."

Wu Renkai, Chairman of Shenzhen City Dump Truck Association, noted that among the first group of 14 types of vehicles manufactured by 12 companies which were listed in the gazette of China's Ministry of Industry and Information Technology and the gazette of fuel standard compliance, 2 vehicles were made by CIMC. It is convinced that these intelligent and highly reputable heavy dump

trucks will be popular on markets.

The intelligent dumpers manufactured by SCSVC have a number of advantages: the high-quality oil cylinder system brings more safety and ensures fast and smooth hoisting operation; the high-strength and anti-friction steel uses in the U-shape compartment makes the light dead weight and long service life possible; the intelligent monitoring system is capable of identifying drivers via fingerprints, monitoring the running performance of a vehicle for consecutive 24 hours, and alarming drivers in case of overload, over-speed driving, drowsy driving and blind zone.



CIMC SOE wins the world's first VOC module order

On June 21, CIMC SOE and its strategic business partner Wärtsilä jointly held the launching conference for the manufacture of 6 VOC modules – the first-ever on global offshore engineering market, making the company the first manufacturer of high-end intelligent offshore equipment in the world.

The VOC system (volatile organic compounds recovery system) is a pioneering technology for manufacturing liquefied natural gas (LNG) and recovering volatile organic compounds as mixed fuel. It recovers the gas evaporated from the oil bunker and mixes it with LNG to power vessels, so as to reduce the fuel refilling quantity. The VOC system will save over 3,000t fuel for a ship each year. In the meantime, compared with traditional

solutions, it reduces the emissions of carbon dioxide equivalent by 40% and thus features tremendous environmental benefit.

Founded in 1834, Wärtsilä is a world-famous supplier of power system and crucial equipment for ships in the offshore engineering and energy industries and committed to providing world-leading products, lifecycle services and designs for global marine power and energy markets, and it is highly trusted by shipbuilders, ship owners, ocean shipping companies and offshore engineering project operators. Its cooperation with CIMC has yielded fruitful results, and the innovative and industry-leading VOC system and technology is one of them. As new high-end intelligent

equipment on offshore market, the VOC system is well received by ship owners after it was launched on markets. So far, the two giants have secured the order for 6 shuttle tankers.

As a professional gas and offshore equipment manufacturer, CIMC SOE has been committed to building first-class offshore modules, liquid tanks and liquefied gas carriers. The winning of world's first order for VOC modules indicates that CIMC SOE and Wärtsilä will continue to provide high-end intelligent offshore equipment with economic and environmental protection benefits for global users.



CIMC Enric contributes to the formal operation of China's first private large LNG terminal

A LNG carrier transported 145,000-m³ liquefied natural gas (LNG) from Qatar and arrived at the new Xin'ao Terminal in Zhoushan, Zhejiang Province on August 11. The successful delivery and unloading of the cargo indicated the formal operation of the ENN Zhoushan LNG Receiving and Bunkering Terminal Project, the first privately-owned LNG terminal in China.

The two LNG storage tanks with a capacity of 160,000 m³ each – the most essential and critical equipment for the phase I works of the project, was built by TGE/YPDI, a business complex of CIMC ENRIC Holdings Limited.

The LNG Receiving and Bunkering Terminal Project will be completed in three phases. The Phase I works includes two LNG storage tanks with a capacity of 160,000 m³ each, LNG refueling systems and auxiliary facilities,

and it is expected to handle 3 million tons of LNG a year with annual sales amount about 16 billion yuan. ENN Zhoushan is the largest privately operated LNG terminal in China and it is the first large-size LNG terminal approved by National Energy Administration. It will dock ships, store LNG, transmit LNG to ships powered by new energies and coastal areas with bunkering ships and RO-RO ships, and benefit businesses and residents in Zhejiang Province and the Yangtze River Delta.

A responsible officer of CIMC Enric noted that China is currently in great demand of LNG, which will tremendously stimulate rapid development of LNG terminal, LNG storage equipment and enterprises at the downstream supply chain. Such favorable market situation will offer bright development prospect to CIMC Enric.

CIMC Enric is a leading supplier of integrated business and services and manufacture of crucial equipment, ranks among the world's top in terms of ISO liquid tanker container, high-pressure gas transportation vehicles, refrigerated vehicles and refrigerated storage tanks, and outperforms its rivals on domestic markets of large-size storage tanks for LNG terminals and modular products for LNG refueling stations.

"As the central government continues to introduce new policies on natural gases, the enterprises throughout the entire industrial chain will embrace a golden development period. As an industrial leader, CIMC Enric will make best use of unprecedented opportunities to achieve more successes", said the responsible officer.



CIMC Enric delivers Shell's first LNG refueling station in Europe

In May, Shell's first LNG (liquefied natural gas) refueling station in Europe was put into formal operation in Herstal, Belgium. The station was independently designed and built by CIMC Sanctum, and it embraced the application of a number of cutting-edge technologies such as zero emissions of natural gas and unmanned operation for the first time in the world's LNG refueling station construction history. Its formal operation will

tremendously improve the global reputation and presence of CIMC Sanctum.

As the awareness of environmental protection philosophy is built up and the safe operation of LNG refueling stations is highlight required, different countries, especially those in Europe and America, have continuously come up with new requirements for the construction of LNG

refueling stations, such as independent design and manufacturing, zero emissions of natural gas, and unmanned operation. At present, only a few enterprises can meet these new requirements simultaneously. Since 2012, CIMC Sanctum has entered into strategic cooperation with Shell on the provision of LNG refueling stations worldwide through enormous communication and benchmarking and become Shell's only

Chinese supplier of LNG refueling stations.

In the face of new demands and challenges, CIMC Sanctum integrates internal and external resources and designs and manufactures products in accordance with ASME, EU standard and the design and engineering specifications of Shell's global LNG refueling stations. At the same time, the company also engages in

the R&D of reliable and efficient welding methods and manufacturing techniques to solve the difficulty in the manufacture of high-standard equipment. In addition, CIMC Sanctum also develops unmanned station control system and uses safety control technology and equipment to ensure safe and reliable operation of the station without the supervision of men. Over one year's hard work, CIMC Sanctum has satisfied the three

requirements, namely independent design and manufacture, zero emissions of natural gases, and unmanned supervision, and successfully obtained the European Union's CE certification.



CIMC Hongtu successfully develops oilfield well-flushing trucks

CIMC Hongtu successfully launched the oilfield water treatment well-flushing trucks on July 18, lifting its products and businesses up to a new level.

When to extract oil from a domestic oilfield, it is necessary to dig a well at an appropriate place, and then squeeze the oil out by pressurizing the well. After a period of time, the water in the oilfield well will contain some mechanical impurities and oil, which will accumulate in the layer around the well bore and lead to decline in the water absorption ability of the layer, so the injection well will be polluted, the water injection pressure will go up over the years, the layer will be blocked, and the oil extraction volume will

be impacted. Therefore, there will be proper water treatment in the oilfield well, and the oilfield water treatment well-flushing truck will play an important role in this process.

The oilfield water treatment well-flushing truck developed by CIMC Hongtu adopts mature sewage treatment equipment and techniques and integrates tertiary recirculating water treatment system, intelligent control system and self-cleaning system. It can successfully carry out high-pressure and large-volume treatment of water in the injection well, meet the water requirement for injection wells in coiled tubing operations at PetroChina Changqing Oilfield Company (PCOC),

reduce the labor intensity of operators and improve working efficiency. In addition, with automatic collection of oil, mud, sand and other impurities, the system will reduce the load of manual cleaning and effectively avoid secondary discharge pollution at the production site.

So far, CIMC Hongtu has successfully delivered the prototype truck to the PCOC Ya'nan Zone. Next, it will closely work together with PCOC Jiangnan Machinery Research Institute to conduct long-distance monitoring and data collection so as to make preparation for the R&D of second generation of products and help with the operations of wells at remote areas.



CIMC Enric enters into a 475 million yuan deal with China LNG Group



CIMC Enric and China LNG Group entered a 475 million yuan LNG tank container deal with China LNG Group on June 29 at Suzhou. This is another large order after the two companies started strategic cooperation in May.

It is reported that LNG tank container has the advantages of being not easy to leak, high safety, environmentally friendly and high reliability, being highly recyclable and

long service life. Moreover, it is suitable for multi-modal transportation and is very economical and efficient in operation. It has been widely used in European and American markets for many years. However, most of China's chemical products are transported in traditional ways including tank cars, iron drums or liquid bags, which poses relatively high safety hazards. The LNG tanks manufactured by CIMC Enric have the advantages of large storage volume,

light weight, thermal insulation and high safety. They enjoy high competitiveness at home and abroad. With the full support of the National Energy Administration for the development of LNG tank business, CIMC Enric, as a leader in the energy equipment industry, will continue to seize opportunities that may arise in the tank container business and provide customers with more forms of energy ocean transportation solutions.

CIMC SOE successfully delivers the second 17,000-m³ LEG carrier

CIMC SOE successfully delivered S1027 – a 17,000-m³ LEG carrier to Pacific Gas (Hong Kong) Holdings Limited on September 12.

S1027 is the second 17,000-m³ LEG carrier built by CIMC SOE after its successful restructuring. Featuring excellent performance and outstanding energy efficiency in the industry, the ship has an overall length of 156 m, modeled width of 23.2 m, modeled depth of 15.8 m, and

designed draft of 10.2 m, and meets the certification requirements of DNV GL With three independent type-C double-body liquid tanks, a total capacity of 170,000 m³ and designed temperature of -104 °C, the ship can meet the demands for carrying LPG (liquefied petroleum gas), LEG (liquefied ethylene gas) and acetylene.

During the shipbuilding process, CIMC SOE attached great importance to the quality and

opinions of the ship owner, carried forward the craftsman's spirit, strictly followed the requirements of lean management, continuously optimized its designs and improved its shipbuilding performance, and its efforts paid back and was highly recognized by the client. "Over the years, we have fully demonstrated strong designing and shipbuilding competence, and this enabled us to win the order for two most advanced LEG carriers (S1026 and S1027) in

the world. We successfully delivered S1026 to the client in March and S1027 in September. By doing so, we have further shown our strength and confidence to seek business growth to our clients worldwide", said a responsible officer of CIMC SOE.

CIMC SOE is capable of designing and producing the most complete types of IMO type-C tank products, and its liquid tanks have made many firsts in the world,

including the full-pressure LPG double-body tank, semi-refrigerated semi-pressurized three independent type-C LNG tanks, and single shell vertical LNG fuel tank. In addition, CIMC SOE is one of most influential enterprises on global market for small- and medium-size LNG carriers. So far, the company has successfully delivered 30 small- and medium-size LNG carriers, including the world's first multifunctional LNG carrier of 27,500 m³ that transported ethane from the

US to Europe, and the 38,000-m³ LEG carrier that was rated as one of "Top 10 Great Ships of 2017" by *Maritime Reporter & Engineering News*, a world-famous audited circulation magazine serving the global maritime industry.



CIMC Enric strategically partners with MGI Group and gets successful access to Bangladesh chemical storage and transportation market

On August 2, CIMC Enric entered into a cooperation agreement with the MGI Group and secured two orders from the Bangladesh giant: the EPCIC order for building 8 storage tanks and liquefaction systems on 4 LEG/LPG carriers that will be constructed by CIMC SOE, and the order for building a 20,000-m³ cryogenic ethylene station for TGE Gas.

The winning of these two orders indicates CIMC Enric's successful access to Bangladesh chemical storage and transportation market, lays solid foundation for further cooperation between the two groups, and contributes to the development of countries along the Belt and Road.

MGI (Meghna Group of Industries) is one of the biggest multiple business operators in Bangladesh and has 32 member companies. Over the years, Bangladesh is in rapidly growing demand for PVC resin to save energy and protect environment, and this

has increased the demand for LEG (liquefied ethylene gas) – a raw chemical material for the production of PVC. At the same time, with continuous economic development in the country, Bangladesh is in short supply of energy and sees the increasing demand for LPG (liquefied petroleum gas) in a step-wise pattern. To alleviate the shortage of energy, Bangladesh starts to build a large number of LPG terminals nationwide, and MGI is one of a few builders that have won orders from the Bangladesh government. Currently, it is building a MPVC plant and a LPG terminal, and each of them needs two LEG/LPG carriers of 3,940 m³. CIMC SOE is proud to build hydraulic systems and LEG/LPG storage tanks for the 4 carriers.

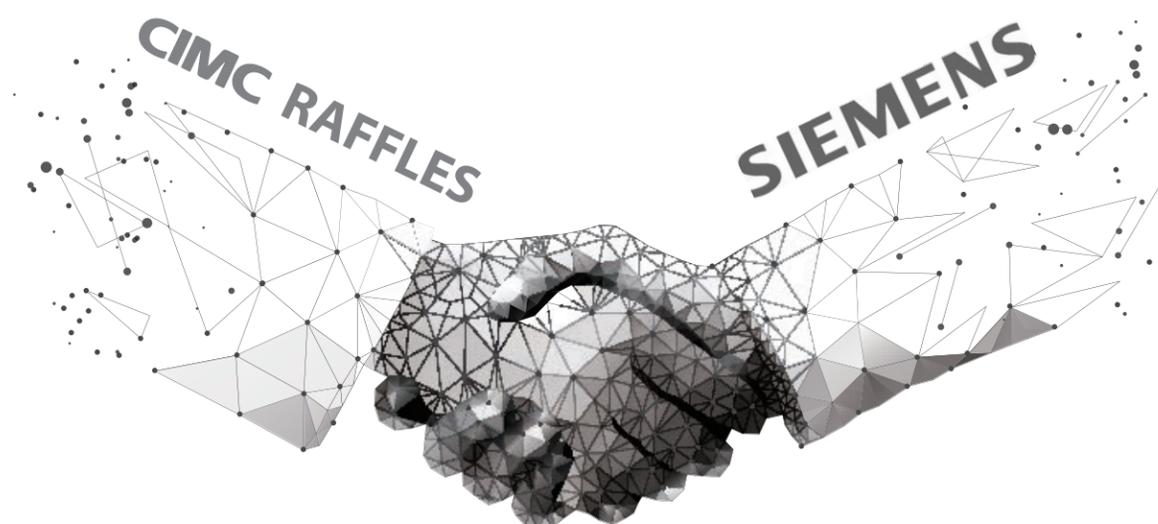
Mr. Mostafa Kamal, Managing Director of MGI, noted that CIMC has successfully diversified its businesses and its brand power, expertise and proven track records in international programs have made the Group stand out. In

the future, the two groups will explore more possibilities in the cooperation on energy and other fields.

With further implementation of the "One Belt, One Road" Initiative (OBOR Initiative), there has been and will be huge potential for cooperation on a variety of fields between China and Bangladesh, the two countries along the Belt and Road. At the same time, CIMC's experience in successful provision of products and services to countries along the Belt and Road will lay solid foundations for CIMC-MGI strategic cooperation. Mr. Li Guang Jun, the Economic and Commercial Counselor of the People's Republic of China in Bangladesh, highlighted the significant importance of the strategic cooperation, hoping that "CIMC will seek to explore more business opportunities, make more business achievements and stimulate the economic growth of the two countries under the guidance of the OBOR Initiative."



CIMC Raffles and Siemens jointly make new business attempts and take their cooperation to a deeper level



On August 28, CIMC Raffles and Siemens renewed their strategic cooperation agreement at Stavanger, Norway. The two companies will make explore new business models, including making bids as a complex and accessing to new businesses, and explore the intelligent transformation and smart manufacturing based on Industry 4.0. The renewal of the strategic cooperation agreement will expand the cooperation scope and improve the competitiveness of the two companies in relevant fields, representing that the mutual cooperation has been taken to another new height.

According to the agreement, CIMC Raffles and Siemens will jointly explore new businesses, serve as primary suppliers for each other, and carry out cooperation on the manufacture of modules, installation of offshore power generation stations, ship power stations, purification of sea water, FLNG (floating LNG production, storage and offloading system), FSRU (floating storage and regasification unit); jointly make bids

as a complex and explore new fund-raising models for new projects.

With scientific and technological progress, people have more and more demands for highly efficient energy equipment. In this context, it is a prevailing trend to improve production efficiency and product quality by intelligent and digital means. According to the agreement, CIMC Raffles and Siemens will set up a joint working group to exchange ideas on the development orientation, equipment and advanced philosophy of Industry 4.0 and boost the development of intelligent manufacturing. At the same time, the two sides will jointly carry out R&D activities and technological cooperation on conceptual designs, basic designs and other aspects; conduct deeper R&D on the basis of current DP3 closed loop laboratory; Siemens will also establish a new laboratory at CIMC Raffles and provide relevant trainings.

The two industrial giants began their strategic cooperation 6 years ago on technologies and

markets. The world's most advanced DP3 closed bus-tie technology developed by Siemens has been integrated into the platforms for COSL Prospector and 2 Blue Whales built by CIMC Raffles, and has provided stable electric supply performance for the platforms and ensured accurate balance and positioning. In November 2015, the DP3 Closed-loop Digital Lab of Siemens was unveiled at CIMC Offshore Engineering Institute, promoting the integration between Siemens' digital technology and CIMC Raffles' integrated design and manufacture and intensifying joint R&D efforts between the two sides. In August 2017, China successfully completed its first-ever DP3 closed loop test on deep-water semi-submersible platform of Blue Whale Two.

Wang Jianzhong, CEO and President of CIMC Raffles, noted that "in the past, we established friendly cooperation with Siemens in offshore engineering field; in the era of Industry 4.0, we will carry out joint R&D activities to provide solutions that can meet and promote the demands of clients in more and more sectors."

CIMC Raffles wins an order for 2 deepwater net cages

On August 15, CIMC Blue Marine Science & Technology Co., Ltd (CIMC Blue), a subsidiary of CIMC Raffles, entered into an agreement with Shandong Marine Group LTD (SDMG) on the construction of "Sea Exploration One" deepwater aquaculture net cages. At the same time, the two sides also signed a tri-party strategic cooperation framework agreement with Yantai Nanhuaqcheng Sea Delicacies Development Co., Ltd (Nanhuaqcheng) on the construction of a sea food aquaculture net cage.

Jointly developed by CIMC Blue and SDMG, Sea Exploration One is a steel-structure submersible net cage. Composed of 3 rotatory round subnet cages of same size with a diameter of 40 m each, the product resembles a flower on the sea with a diameter of 80 m. The aquaculture area of each petal is about 9,000 m³, and the total

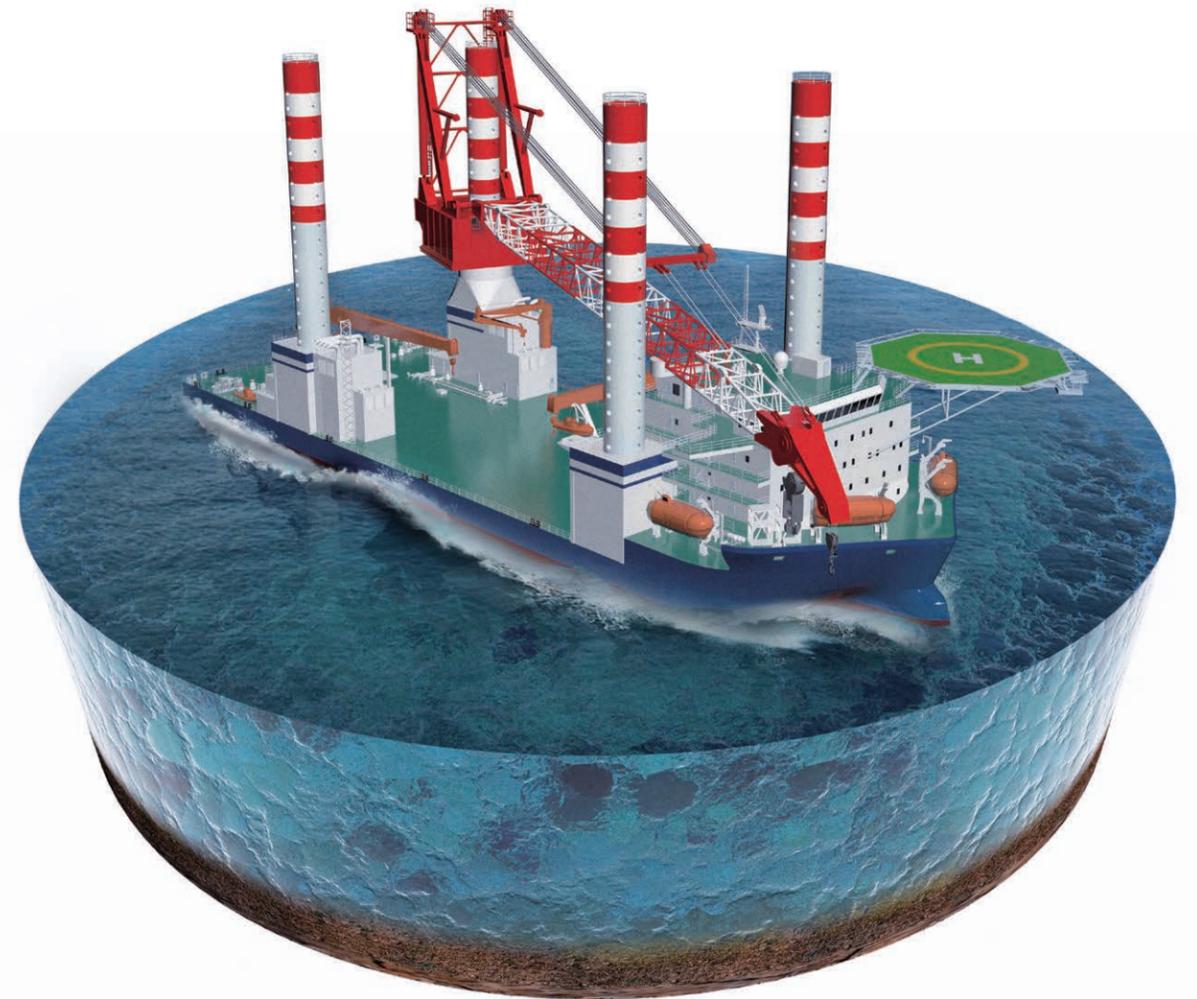
aquaculture area is 27,000 m³. A central platform of 600 m² at the interjunction of 3 subnet cages resembles the shape of a stamen and integrates the power system and monitoring equipment of the net cage; a leisure zone is provided for tourists and anglers, and it offers 60 leisure and angling seats and accommodates 300 tourists; the central platform also offers the parking space for helicopters.

Sea Exploration One is mainly powered by solar energy and diesel generators and equipped with automatic feeding system, underwater monitoring system and underwater net washing machine, capable of automatic, intelligent and pollution-free aquafarming. It will be installed at waters 3 kilometers away from the shore near the Yuren Wharf, Sishili Bay, Yantai, and will become a new attractive scenic spot of the city.

CIMC Blue will provide technical scheme and carry out construction, commissioning and installation of the sea delicacies aquaculture net cage according to the characteristics of the sea area. The company changes the bottom-seed seafood aquaculture model and adopts container-lifting vertical aquafarming method. The product will be the first sea delicacies aquafarming net cage in China, and it also features leisure and recreational functions. So far, the conceptual design has finished: it will be a steel-structure submersible net cage composed of upright posts, low rings, sink pads, diagonal support, upper aquafarming platform, and leisure and recreational zone; it is divided into 3 aquafarming sections with total aquafarming area of 5,200 m², and can accommodate no more than 30 people.



CIMC Raffles wins the bid for building a rescue and salvage ship



CIMC Raffles won the bid for building a rescue and salvage ship of pile-inserting type for China Yantai Salvage on August 20. As one of 3 professional marine salvage units in the country, China Yantai Salvage is responsible for non-human life salvage, recovering a ship and its cargo after a maritime casualty, towing aerial crafts, removing oil spill at the sea areas, ports and sailing courses in the north of China. With the new ship, China Yantai Salvage will further improve its rescue and salvage ability, offer better protection to life, environment and property on the sea, make more achievements in the exploitation and utilization of marine resources, and contribute more to the rise of China as a marine power.

The self-elevating-and-sailing rescue and salvage ship is equipped with 4 cylinder pile legs and hydraulic pin-type lifting system. It has a modeled length of 132.6 m, modeled width of 41.3 m, modeled depth of 9 m, maximum operating depth of 50 m, variable load no less than 5,000t, and DP2 dynamic positioning system; it is in the shape of a barge with highly faired bow, square stern, wholly welded steel-material hull, central double bottom and a continuous main deck; there is a residential building 220 people and a helicopter takeoff and landing platform at the bow, an unobstructed working deck in the central part, and a 1,200t pile-winding main crane at the stern. The ship can sail at the unrestricted navigation area, fly the

flag of China, and meets the certification requirements of CCS.

The pile-inserting type rescue and salvage ship has a number of advantages, such as slide resistance, resistance to the impact of waves and flows on the hull, removal from the working site to avoid sea wind under harsh conditions, long salvage window period, and high working efficiency. Compared with traditional salvage ships, the new ship is important salvage equipment, for it can save the time for sending and receiving instructions, positioning and withdrawing from working site to avoid sea wind, and work in harsh sea areas not suitable for floating type ships.

CIMC is the first Chinese company to design and build a world-class superyacht

Illusion Plus, a world-class superyacht built by CIMC Raffles, set off on its maiden voyage on August 21. This is the first superyacht more than 60 m long ever built by a Chinese company through the integration of global resources, representing that in the field of design and building superyachts, Chinese company has broken the monopoly of Europe and the US and been admitted into the club of first-class shipbuilders in the world.

Measuring a length of 88.5 m and with a beam of 15.4 m, Illusion Plus has an impressive volume of 3,642 gross tonnes spread across six decks. The luxurious sea suite incorporating business, sports and leisure features is powered by the diesel-electric propulsion package by Rolls Royce that gives her a maximum speed of 17 knots, a cruising speed of 15 knots and a range of 5,000 nautical miles, incorporates a high degree of redundancy and an energy efficient operation thanks to the use of

DPo dynamic positioning system that is highly automatically integrated and can be controlled by 1 person. The superyacht can sail in unrestricted sea areas and meets the certification requirements of ABS. Her design, quality, performance and interior decoration have all satisfied the most rigorous European and the US standards.

Illusion Plus is a historical breakthrough. This is the first time that a Chinese company has manufactured a superyacht with the world's top performance as an integrated device manufacturer. With sufficient confidence built up from the construction of the superyacht and the brand influence of CIMC Raffles in global marine equipment sector, CIMC will embrace bright development prospect.

The yacht industry is considered to be huge business opportunities floating on golden watercourses, and it is expected that CIMC Raffles will play an important

part in the building of yachts. The company is proud to create a talent pool composed of international experts that have been working in the yacht industry for more than 15 years averagely, and it has built long-term cooperation with the world-famous shipbuilding companies, designing firms, consultation companies, equipment suppliers and outsourcing service contractors and established yacht-specific database. CIMC Raffles will build yachts, pleasure boats, offshore complex and other recreational equipment of different specifications for different classes of clients, including the superyachts for high-end markets, private yachts and high-end pleasure boats for mass consumers, so as to promote the upgrading of marine tourism and healthy cultural tourism in an all-round manner.



CIMC Logistics provide CRCC with cross-border and all-the-way logistics solutions

On August 24, Zhenhua Logistics Group, a member company of CIMC's Logistics Segment, assisted China Railway Construction Corporation ("CRCC") in successfully completing the dredging of dock basin and channel of a 15,000t deepwater port in Kampot, a province located along the Belt and Road.

The project is located at Kampot Deepwater Special Economic Zone in Cambodia. After the completion, it can meet the property

owner's need for the operation of the 15,000t port. Upon the request of Kampot Port Group, the dredged soil should be sent to the place designated by the property owner by hydraulic fill to create new land areas. To successfully implement the project, CRCC planned to transport necessary materials such as construction vessels "DingFengJun" (dredge boat), "DingFengJun 1" (anchoring boat), 5 offshore pipeline (692 m in total) and onshore pipeline (about 3,200 m) from Dalian Port by semi-submersible ships. During this

process, Zhenhua Logistics provided CRCC with cross-border and all-the-way logistics solutions and satisfactory services, including organizing the cargo consolidation at the port and Chinese customs clearance for export and Cambodian customs clearance for import, offloading and transporting cargos to the designated place, and successfully completed the implementation of the cross-border and all-the-way logistics project.



CIMC-TianDa Holdings enters the deal to acquire 60% stake in Shenyang Jietong



The Hong Kong listed CIMC-TianDa Holdings announced on July 31 that one of its subsidiaries had entered a deal to acquire a 60% stake in Shenyang Jietong for 600 million yuan.

In April, CIMC merged its PBB, GSE, MHS and APS businesses with that of the Hong Kong listed China Fire Safety Enterprise Group Limited (CFE), in an attempt to provide a better and more independent financing platform for the Segment. Thanks to a couple of months' hard work, the Group increased its equity interest held in CFE from 30% to over 50% and changed the name of CFE to CIMC-TianDa Holdings Company Limited.

After the restructuring, CIMC-TianDa continues its growth momentum in tradition businesses. In the meantime, it focuses more on the development of firefighting equipment business.

Prior to the integration, CFE was the first listed company in China's firefighting equipment industry. In 2015, CFE traded for 40% equity interested held by CIMC in Ziegler, a Germany-based firefighting equipment specialist that became the No. 1 brand on China's imported firefighting truck market. After the equity replacement, CFE improved its business layout and consolidated its leading position by complementing the business of its subsidiaries Sichuan and Cuilian Firefighting Equipment and that of Ziegler.

Founded in 1974, Shenyang Jietong Fire Truck Co. is the major part of the group. It is a well-established producer of elevating platform fire trucks, aerial ladder fire trucks and skylift fire trucks, capable of manufacturing over 80 types of products in all series. As the biggest company in China's fire truck industry in terms of comprehensive

strength and scale, Jietong Fire Truck sells its products to over 30 provinces across the country and a large number of countries and regions in South America, Middle Asia, Southeast Asia and Africa.

In addition the powerful comprehensive strength of Shenyang Jietong, two factors are vital for the successful finalization of the deal: firstly, the group has the mostly advanced aerial fire truck technology – the core of the R&D of high-end fire trucks in its hand, which will offer technical complementary inputs to the companies under CIMC-TianDa; secondly, since the geographic patterns matter a great deal for the business success of firefighting equipment makers in China, the group based in in the northeastern part of China is a perfect match to CFE's production facility in Sichuan Province and will improve CIMC-TianDa's business layout in the north of China.

CIMC-TianDa Holdings announces a 172% revenue increase in its first interim report

On August 29, CIMC-TianDa Holdings Company Limited (stock code: 445.HK) held the 2018 interim result release conference at Shenzhen. After carrying out the significant restructure of equity held in China Fire Safety Enterprise Group Limited (CFE) and changing its to CIMC-TianDa Holdings Company Limited, the industrial giant released its first performance report for the first half of 2018.

In April, CIMC became the majority shareholder of CFE by disposing its equity interests respectively held in Pteris Global and CIMC-TianDa to CFE. With the equity restructuring, CFE expanded its business from firefighting equipment to airport facilities (including boarding bridges and ground support equipment), firefighting trucks and rescue equipment, automatic logistics equipment, and intelligent parking system, etc. Impacted by the equity restructuring and business expansion, revenue of CIMC-TianDa in the first 6 months reached 991 million yuan, increasing 172% year-on-year; net profit attributable to shareholders of the

parent company increased significantly to 58.45 million yuan.

Revenue from boarding bridge business increases to 400 million yuan

Airport facilities business remains to be one of core businesses and growth drivers of the company. Financial data show that the revenue from airport facilities and intelligent parking system amounted to 561 million yuan. Noteworthy, the passenger boarding bridge contributes the largest proportion of revenue and reports a year-on-year growth of 180% to 396 million yuan, since the company accelerated the verification and acceptance processes and delivery speed, and the revenues of a large number of projects were confirmed in the first 6 months.

In terms of the boarding bridge business, CIMC-TianDa has been strategically strengthening the technological R&D and making preparation for intelligent airport facilities. In the second half of 2017,

the company launched the world's first unmanned intelligent boarding bridge and VDGS (visual docking guidance systems), which would lower down labor costs and reduce the average time spent on parking a plane from 3 minutes to 1 minute. In the future, CIMC-TianDa will satisfy the demands of airport terminals around the world for upgrading to enable airport terminals to offer more intelligent and convenient services.

As a cultivation-oriented business, the intelligent parking system also made brilliant performance in the first half. The independently developed intelligent mechanical stereo garage, the first one of its kind in the industry, has outperformed competitors in terms of technical parameters. In 2018, CIMC became the biggest winner of bids for intelligent parking projects which were sponsored by Shenzhen Municipal Government and different district governments. Such projects have effectively solved the parking difficulty and received good comments from the local governments.

Firefighting trucks and rescue equipment business achieves greater strategic status

CIMC's access to firefighting equipment business started with its acquisition of German Ziegler GmbH – a time-honored and well-established brand in 2013. After that, Ziegler has grown at a fast speed and expanded from German market to global markets. So far, the company has its products sold and distributed in more than 70 countries and regions and become the No. 1 imported firefighting truck brand on China's market.

Currently, the firefighting truck business has become the second largest business of CIMC-TianDa. Though the business revenue of Ziegler was not included in the interim report, yet the revenue from firefighting trucks and rescue equipment grew to 143 million yuan in the first 6 months.

With a series of strategic preparations and operations, CIMC-TianDa has become the

most professional supplier of "one stop" solutions in domestic firefighting equipment sector, and it is also the largest firefighting truck producer in the country. According to business development plans, with a series of resource integrations and business arrangements, CIMC-TianDa aims to achieve the full coverage of its product types and production facilities in major regions across the world; and with systematic and integrated operations, it hopes to make into the list of first-class firefighting truck producers by 2020 and sell mid- and high-end firefighting trucks manufactured in different regions on global markets by means of global operation.

Revenue from automatic logistics systems business increases 98% year-on-year

Thanks to the expansion of market coverage areas, steady project implementation progress and the increase in the number of delivered projects, revenue from the automatic logistics systems business

(baggage, materials and warehouse handling systems) rose 98% year-on-year to 287 million yuan.

Over the years, CIMC-TianDa has been speeding up its development on domestic and foreign automatic logistics market. Today, it ranks first in China and third in the world, holds a remarkable share of global air cargo handling system market and over 50% share of domestic market.

Industrial experts predict that there will be a steady growth on China's automatic logistics system market from 2017 to 2021, and the market size will reach 214 billion yuan by 2021, which means that CIMC-TianDa's automatic logistics business has huge development space.

CIMC Leasing issues its first off-balance-sheet asset-backed securities

On June 22, CIMC Financing Leasing Co., Ltd successfully issued its first ABS (asset-backed securities) product "Huajing-CIMC No. 1 Asset Support Special Scheme", and commenced trading at Shenzhen Stock Exchange. The financing size of the ABS product is 342 million yuan. The off-balance-sheet design of underlying assets will effectively reduce CIMC Leasing's debt to asset ratio, improve its operating cash flow, optimize its overall financial statements. The issue of the ABS product is the first financing attempt made by the company on domestic financing market and has fully demonstrated that domestic market has recognized the qualification and asset quality of CIMC Leasing, bearing significant milestone meaning and brand effect.

The ABS product was successfully issued in the context that the regulatory authority tightened its cover the issue of lease ABS products. In terms of the structure design, the product provides internal enhancement

guarantee with excess spread, priority/subordination classes. Special plan priority class A, class B, class C and Class D ABS products are respected by Dagong Global Credit Rating Group as AAA, AA, AA and A. This means that CIMC Leasing's capital quality and professional ability have been recognized by the market and the regulatory authority.

It is noteworthy that the ABS issue is an authentic off-the-balance product, since it has passed the leased asset risk/reward transfer test conducted by the external auditor PricewaterhouseCoopers. Normally, an authentic off-the-balance design often indicates that the market highly recognizes lease assets or securitized trade arrangement, and it will help an issuer and a securities company to improve their market influence. The reason for the authentic off-the-balance design is that CIMC Leasing's professional, diverse and internationalized development model and brand effect and reputation

built up through authentic leasing business operations have bolstered investors' confidence.

CIMC Leasing is a leader in manufacturer-backed financing leasing companies in China. The 11-year-old company has been rated as "China Financing Leasing Company of the Year" for 4 times and won "China Financing Leasing Innovation Award" for 3 times. Dependent on the parent company CIMC's global operation network and diverse industrial layout, CIMC Leasing is committed to growing into an excellent manufacturer-backed financing service supplier in the global logistics and energy industries. With the successful issue of the ABS product as a new start, CIMC Leasing will continuously improve its professional operating and financing ability, exercise strict control over risks, raise its marketized competition ability, and take China's financing leasing business to a new level.

CIMC Industry & City to build a world-class low-orbit satellite IoT industrial park



On July 5, Secretary of Party Working Committee of Guangming New District Wang Hongbin, Deputy Directors of Guang New District Administration Committee Hu Rulin and Zhou Hui, Director of Economic Service Authority of Guangming New District Lin Shuping, Director of Guangming Branch of Urban Planning, Land & Resources Commission of Shenzhen Municipality Shenjinzhang and their party visited CIMC and carried out deeper discussions about the Group's investment and construction of China's first world-class low-orbit satellite Internet of Things (IoT) industrial park in Guangming New District.

Shenzhen CIMC Low-orbit Satellite Internet of Things Industrial Park Development Co., Ltd spent 274 million yuan on the acquisition of land for the project. With a ground area of 27,800 m² and a floor area of 138,700 m², the project is located at the northeastern part of the intersection between Guangming Avenue and Longhua-Dalingshan Highway – a geographically important place at Phoenix City in Guangming New District, one of 17 prioritized development areas of Shenzhen

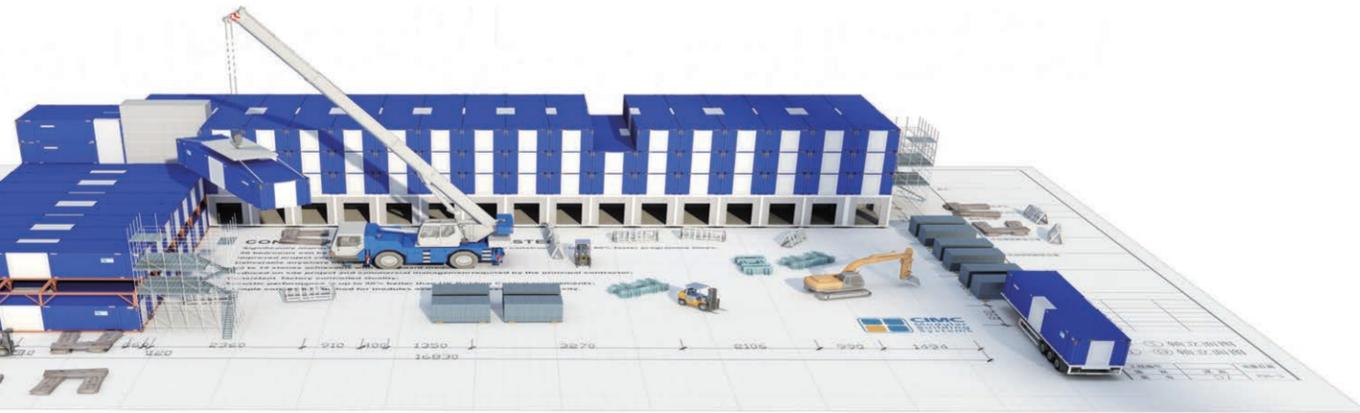
Municipality and Guangdong-Shenzhen Scientific & Technological Innovation Corridor, and it enjoys transport convenience, satisfactorily tailored supportive facilities and services and agreeable and pleasant environment. The project will be the first world-class low-orbit satellite IoT industrial park and one of 3 future-oriented industries that are entitled to preferential policies of Shenzhen Municipal Government. The project will fill the gap in China's application of low-orbit satellite IoT.

CIMC has the world's largest container production and manufacture scale and No. 1 client channels and resources and over 50% of global market share, which will be able to ensure the market volume and powerful international influence of communication modules, intelligent terminals, data and traffic service of low-orbit satellite IoT.

CIMC's CEO and President noted that "the Internet of Things is a must-go path for future development of the whole world. Currently, there are 36.5 million containers on earth. In the future, they will be connected. To make

this happen, mobile communication service is not enough, because it cannot provide signals when containers are transported offshore and among mountains. In this case, satellites will be a better choice. Low-orbit satellites have the most remarkable energy consumption performance, and the US is the most successful country in commercialization of low-orbit satellites. Currently, China is working hard to develop its low-orbit satellites. We have authorized by the ORBCOMM Company for the production and sales of low-orbit data satellite communication modules, and we have also made certain progresses in the low-orbit satellite Internet of Things. CIMC will give full play to its global resource integration ability and industrial influence and pool together more companies engaged in low-orbit satellite Internet of Things in the industrial park to seek business development and growth. At the same time, the project will enable us to strengthen our cooperation with Guangming New District and contribute to its high-speed development."

CIMC gets a head start in accessing to Hong Kong's modular building market



Recently, CIMC Modular Building & Investment Co., Ltd. (CIMC MBI) was formally approved by Hong Kong Buildings Department to successfully access to Hong Kong's modular building market. Among the first group of 3 enterprises that was granted formal approval and certificates, CIMC MBI is an outstanding representative of the modular integrated construction (MiC) technology.

Currently, Hong Kong's building industry is taking transformation and upgrading, but the problems such as high consumption, backward productivity and shortage of laborers have hindered the development of the industry. To solve these problems, in 2017, Ms. Carrie Lam Cheng Yuet-ngor, Chief Executive of Hong Kong, pointed out in her first governor's address that Hong Kong should introduce more advanced MiC technology. And this meant huge business opportunity for CIMC MBI. Characterized by steel structure and incorporating heat preservation, water and electricity, firefighting, sound insulation, energy conservation and interior decoration features,

CIMC MBI's new-type MiC system is the most sophisticated representation of industrialized buildings and can remedy the defects such as the rise of building costs and shortage of labor forces and ease the rising house prices in Hong Kong to some extent.

To facilitate better introduction of MiC technology, Hong Kong Buildings Department established the pre-authentication mechanism at the end of 2017, regulating that a modular building supplier should pass the pre-authentication prior to its access to Hong Kong's market. At the same time, the Buildings Department has formulated strict specification requirements on the structure of modules, building and electromechanical designs, production designs and quality supervision.

"Our proven track records in foreign countries and regions and world-leading MiC technology have impressed the visiting Hong Kong officials. After comprehensive appraisal, we were granted the permission and access by the Hong

Kong Buildings Department", said a responsible officer of CIMC MBI.

"Specifically, we can transfer over 90% of building operations at a construction site to our factory and complete them in a controllable environment to make sure that the costs and plans are more controllable, the construction quality is more stable, and the construction time is much reduced. In addition, with CIMC's core competitive advantage in global operations, we are capable of integrating global resources and completing construction operations at any place on earth. At present, our modular buildings have been used for hotels and college and university student apartments in the UK, the US, Australia, New Zealand, Japan and many other countries and regions. At the same time, we have entered into long-term strategic cooperation with famous brands under Hilton Group such as Hampton, Doubletree and Garden and brands under InterContinental such as Holiday Inn Express", added the responsible officer.

C&C Trucks becomes the 2018 CILTEC Gold winner

Guided by National Development and Reform Commission, hosted by China Communications and Transportation Association (CCTA) and organized by CCTA Professional Committee for Logistics Technology and Equipment (CCTA-CLTE), the 2018 China Intelligent Logistics Technology Equipment Conference & Logistics Technology Equipment Enterprises Conference (CILTEC) opened on August 18 at Hangzhou, Zhejiang Province. As a major player in the logistics industry, C&C Trucks attended the conference upon the invitation of the organizer. Themed with "Sharing of Intelligence, Talking about upgrading", the conference were attended by over 600 people including representatives from domestic and foreign leading logistics technology and equipment enterprises, senior management staff and persons in charge of R&D of logistics

enterprises, government leaders and experts.

The "intelligence" was highlighted at the conference. With the continuous expansion of logistics market, the extensive development and application of intelligent logistics equipment and technologies such as IoTs, big data, artificial intelligence and cloud computing, the "intelligence" has become a greater development tendency of the logistics industry. Being well known for its unrivalled advantage in intelligence, C&C Trucks attracted great attention from the participants.

With its advanced intelligence, C&C Trucks was highly recognized and praised by the participants. At the awarding ceremony, it not only made into the most valuable product list, but also won the CILTEC Golden Award.

The winning of the CILTEC Golden Award should be attributable to Smart-M G7.

Smart-M G7 is an intelligent truck management system. It collects the ECU data of engines and shows the real data about mileage, fuel consumption and driving behavior generated during driving to users and provides three intelligent truck management services, namely intelligent route management, vehicle cost control and driver safety management and control. With the Smart-M G7, a C&C truck can perform such functions as full picture monitoring, analysis of abnormal tracks, fuel consumption, vehicle failure and maintenance, and analysis of driving behavior, and offers all-round vehicle management service to users.



中國證券報

Mai Boliang: CIMC is ready to fly high

CIMC has become a "legendary hero" when it grows from a small plant that merely produced containers and had 59 employees once into a multinational industrial group with 9 business segments and over 50,000 employees across the world. Its success cannot be alienated from the efforts and endeavors of Mr. Mai Boliang over the past 30 years. Recently, CIMC's CEO and President Mai Boliang had a special interview with a reporter from China Securities Journal. He interpreted the reasons for and experiences of CIMC's success, defined future development plans and objectives of the Group, and offered precious viewpoints on the reform and opening-up practices of Shenzhen. It has touched and impressed us greatly when he shared us with his dream - "I hope that CIMC can develop, manufacture and take 30 branded products to the world championship level before I retire."

Systems and talents are crucial factors

China Securities Journal: CIMC is well positioned to keep the momentum of stable growth. What are the main reasons?

Mai Boliang: in 1980, CIMC began to take shape. 38 years later, it has grown into a multinational company. Comparatively speaking, CIMC is a special enterprise. First, we are a typical representative of mixed ownership. Thanks to the scientific and diverse equity structure, the governance structure has remained stable and ensured scientific and wise decision-making. Second, I have worked

as the Group's president for 28 years, and I am willing and pleased to work here and build CIMC into a world-class enterprise. In particular, I like to maintain the stability of teams at different levels and take future-oriented approaches. Frankly speaking, I am not a short-sighted and reckless person. Third, CIMC has effective and efficient systems. When you have clearly defined rules and well implemented systems, high-caliber people will choose to stay with you to go through ups and downs, and rises and falls, and then you will get jobs done and have a good company. In this sense, systems and talents are crucial factors for our success.

China Securities Journal: as we all know, acquisitions and mergers are important for the growth of your group. Why does CIMC pay greater attention to acquisitions?

Mai Boliang: as is known to all, CIMC is a global enterprise, while acquisitions and mergers are something that a global enterprise should do and must do. The reason is quite simple: an enterprise should make best use of available and accessible global resources. As China's economic strength keeps building up, it enables us to buy some better things. This will save tremendous time and energy, and we can spend them in overtaking our competitors.

We have carried out a large number of acquisitions abroad, and they are highly recognized by local governments. We have never considered relocating a company to China after finalizing an acquisition deal. On the contrary, we will fully integrate our global resources

and use them to help the acquired company seek business growth, improve its competitive edge, make its brand survive and extend its business to the rest of the world. For example, we acquired a German firefighting truck manufacturing company a couple of years ago. Originally, it only relied on local markets and resources and could not compete with its rivals on global markets due to the shortage of competitiveness. After the acquisition, on one side, the company tremendously lowered down its costs, enormously improved its service performance, sold and distributed its products to many countries and regions, and made greater achievements in competitiveness and job creations; on the other hand, the acquisition helps us develop the high-end technologies for the production of firefighting trucks and enables us to produce better and cheaper firefighting trucks domestically. By doing so, we can put an end to importing high-end firefighting trucks from other countries.

China Securities Journal: what are the experiences of CIMC's acquisition of foreign companies and integration of global resources?

Mai Boliang: most of our acquisitions of foreign countries ended in success. We summarized the success experience as "global operation, local wisdom". For global operation, it is the efforts to integrate global resources and give full play to the advantages of CIMC and the acquired company in costs, technologies, services, supply chains and markets worldwide. The acquisition does not necessarily mean that we have CIMC, and now we buy a company, and then



we have two companies. What we have done is more than that. For local wisdom, it is the efforts to integrate the corporate culture of CIMC and that of the acquired company and trust the core teams of the acquired company, gain recognition of local employees and governments, so that we can make joint efforts on the way ahead. Some Chinese companies have also carried out acquisitions of foreign companies, and they failed. An important reason is that they sent senior management staff to the acquired companies, these senior staff did not understand the corporate cultures or respect local customs and conventions, and even so, they liked to offer opinions and give instructions.

It matters a great deal whether a Chinese company is capable of integrating its global resources and making them work. And thorough analysis and accurate judgment also matter. When it comes to acquisitions, it does not mean when a company has the money, and it can carry out acquisitions. It is necessary to know how to consolidate two companies after an acquisition. Besides, sometimes it will be a good idea to do acquisitions with business partners. Never acquire a company to follow the trend, and do not push the consolidation forward blindly. To be honest, there is a professional threshold for acquiring a foreign company.

Shenzhen remains true to its innovation and transformation roots

China Securities Journal: could you share with us your feelings about Shenzhen

and its reform and opening-up practices?

Mai Boliang: Shenzhen is a young city, but it is the China's leader by far as a destination for immigrants. With a group of enthusiastic, ambitious and talented people and thanks to the favorable reform and opening-up policies, Shenzhen has grown into an international metropolis.

I was lucky to attend the first college entrance examination after it was resumed and go to the university. At the time of graduation, many people including me wanted to work in Shenzhen, because it was at the center stage of China's reform and opening-up practices. I met a lot of people here, and we had something in common: passion, vision, ambition, courage and sense of responsibilities. Today, Shenzhen has changed tremendously, but it remains true to the innovation and transformation roots.

China Securities Journal: what do the reform and opening-up policies and practices mean for CIMC?

Mai Boliang: CIMC would never become what it is today if there were no reform and opening-up policies and practices. Over the years, CIMC has been carrying out innovations. As for me, I have been implementing the "Common Cause" and "People Oriented" human resources idea, hoping to establish favorable corporate systems and cultivate a group of talented people. With such systems and these people, CIMC will stride along the track of sound and rapid development under the guidance of clearly defined strategies.

CIMC has launched the "double-creation"

program, which aims to abandon traditional ideas, take employees as business partners, allow them to hold shares of the company, and call on them to work hard for the common cause. So far, we have incubated 20 enterprises on the "double creation" platform, and they are all developing as expected. CIMC has established good systems and pooled together young and talent people, and it is very natural that we are walking on the right path.

Shenzhen has solid foundations, but now its development is greatly hindered by the rise in the costs of land acquisitions and enterprises' operations. If these problems can be gradually solved, it is believed that Shenzhen will have a bright future.

The housing problems demand an immediate solution. The municipal government should provide rental subsidies and intensify its efforts to promote the comfortable housing projects for talents. In addition, it should strengthen and speed up the reconstruction of old houses to unearth potential land resources. When the housing prices are eased, the talents and enterprises will stay, and this will benefit Shenzhen's development a great deal.

CIMC is ready to fly high

China Securities Journal: CIMC has made clear its transformation and upgrading routes. In the next 10 years, how will your group fly high?

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Mai Boliang: we have been carrying out the painstaking transformation and upgrading over the past decade. Today, when we look at what we have achieved, we are pleased to note that CIMC has got everything necessary for its transformation and upgrading in place. The future development strategy is clear: CIMC will unswervingly carry out the global and diverse operations. Of course, we will grow and expand businesses relating to our existing ones during the process of diverse operations.

CIMC's future development priorities have been confirmed and clarified, and its whole business structures and portfolios have been appropriately designed and arranged; the corporate system has become mature after numerous improvements, and the healthy governance structure and incentive mechanism have been established; the achievements have been made in the cultivation and promotion of excellent talents. Currently, a large number of young cadres have been promoted to leading posts. In consideration of these factors, I firmly believe that CIMC will fly high in next 10 years.

China Securities Journal: the Offshore Segment has not yield any profit yet. Will it bring any pressure to the Group's development?

Mai Boliang: it is understandable and acceptable that the Offshore Segment did not make money. Objectively speaking, the Offshore Segment is making the "pillars of a rising China

and Chinese nation", and it is evitable that the company suffers losses in the short run. I have been working here for decades, and making profits has never been high on the agenda for once. So far, we have invested in tens of billions of yuan in the offshore engineer business. If we quit now, how can we conquer the sea and ocean? How can we make use of marine resources? How can we contribute to the successful implementation of national marine strategy? Though the Offshore Segment makes losses, yet the whole Group didn't, and CIMC makes profits each year, and the profits increase on a year-on-year basis. I am confident that the Offshore Segment will get the money back and make profits.

It is likely that CIMC will make a record high in terms of business revenue, net profit and profit scale this year, and we will continue the growth momentum over next couple of years.

China Securities Journal: what are CIMC's future development priorities?

Mai Boliang: Natural gas business will be one of them. In the next 20 years, natural gas will be a clean energy that develops at the fastest speed, and this will be a golden opportunity for us since CIMC has got what it takes to succeed in this sector. Intermodal transportation is another development priority. In the next 5 to 8 years, China will make critical changes to its railways, and we will make best use of the opportunities arising during this process.

The integration between cities and industries is also high on the agenda. Recently, we have planned a cold chain industrial park in Qingdao. Cold chain closely relates to a raft of sectors, such as the transportation of pharmaceuticals and storage of food. CIMC hopes to improve the national cold chain competence by way of integrating cities and industries. At the same time, we aim to develop more products and services at the world championship level to boost the development and progress of cities.

We will continue to pay great attention to the implementation of the "double creation" program. We hope to incubate 100 companies 3 years later and hundreds of companies with 100 billion yuan revenue 5 years later.

China Securities Journal: does CIMC have any other new objectives?

Mai Boliang: now we have 21 production lines at the world championship level. I hope that number can rise to 30 before my retirement. Next, CIMC will continue to improve relevant systems and formulate relevant measures and policies. In addition to our concerted, intensified and dedicated efforts, the supports from competent government authorizes in re-financing on capital markets, acquisition and merging, going public, etc.

By Wang Xingliang,
reporter of China Securities Journal

南方日报

CIMC: aims at future incremental markets & builds global operation platforms



Illusion Plus, a world-class superyacht built by CIMC Raffles, made its debut in Shenzhen on August 21. This is the first superyacht more than 60 m long ever built by a Chinese company through the integration of global resources, representing that in the field of design and building superyachts, Chinese

company been admitted into the club of first-class shipbuilders in the world.

CIMC Raffles has ever manufactured Blue Whale One, the world's most advanced deepsea semi-submersible drilling platform. In consideration of its outstanding performance in China's first test mining of

natural gas hydrate (flammable ice) in 2017, Blue Whale One is rated as a pillar of the rising power. A responsible officer of CIMC said that Blue Whale One is a pioneering creation of industrial product in China's offshore engineering equipment industry, and Illusion Plus is a pioneering creation of consumer products.

好收成 好收入

重大项目统筹
展规模化、集
收益增加10

幅带有客家
统一规划建设
为村民“土地
一向银行提供
“作质押，逐年
到，像他这样
付款”了。

与200公里外
因村联光村
生产方式的落
失……引进
富是广东扶
生产生活方式
性地推动
的贫困村物

边 出壳彩

In the next couple of months, the Shenzhen-based multinational company that boasts output value of 80 billion yuan will celebrate its 36th birthday. Over the past 23 years, its production and sales volume of containers has been ranking first place in the world. As a company that has witnessed the introduction and evolution of the reform and opening-up practices and the growth of Shenzhen Special Economic Zone, CIMC has basically completed the industrial upgrading from the manufacture of single type of products to system integrated based high-end manufacturing, and extended its businesses from container products to 8 major businesses, namely containers, vehicles, energy and chemical equipment, offshore engineering equipment, finance, airport facilities, modern logistics and industries and cities. In particular, it has ranked first places in 20 product segments such as road transportation vehicles and boarding bridges.

CIMC's success is the embodiment of its creative operating principle of "Global Operation, Local Wisdom" and the demonstration of courage to shift from a single business to diverse businesses.

"Shekou genes"

Chinese elements and global features have become inseparable parts of CIMC

10 years ago, Zhang Ling, currently working as General Manager of Belgium-based tank trucker manufacturing company LAG, was on a business trip to Europe for the first time. From office facilities to operating principles of companies, Europe deeply impressed him with its advancement. However, the development of Shenzhen and CIMC over the past 10 years is beyond his imagination.

"Whenever I come back to Shekou, it always surprises me with new looks. Sometimes I will even get lost", said Zhang Ling, "CIMC has changed greatly, and my colleagues are thinking in the same pace with times. Comparatively speaking, Europe is developing in a static manner, while Shenzhen is developing in a refreshing manner."

CIMC, a multinational company established in the same year as Shenzhen was designated by the central government as a special economic zone, is the second Sino-foreign joint venture after China's opening up and reform policy came into effect. Mr. Yuan Geng, then executive vice chairman of the board of directors of China Merchants Group, was CIMC's first chairman.

Mr. Mai Boliang, CIMC's CEO and President, was deeply impressed by Yuan Geng's classic viewpoint that people should do not shut the doors behind them and bury their heads in researches, because they may waste their precious time on something that has been already invented. "It can be said that CIMC was born with internationalization genes, and this has cultivated a large number of talents with international visions and laid solid foundations for the future development of the Group", recalled Mr. Mai Boliang.

CIMC was born with Shekou genes. "In the 1980s, CIMC was established at Shekou. Similarly, China Merchants Bank, Vanke and Huawei were established during the same period. These enterprises have something in common: they all grew up at Shekou", said Yu Ya, Deputy Party Secretary of CIMC, "they all have the genes to strive continuously to make new progress, seek business growth through reform and opening-up practices, and aim to become leaders in their fields in the world. These genes have become the force that drives us to make solid steps forward on the way of internationalization and enables us to improve our competitive edge and highlight our Chinese elements during this process."

Normally, CIMC's access to a specific market segment starts with its acquisition of the most advanced enterprise in the sector. Taking the container sector as an example, CIMC completed 3 acquisitions of domestic companies in the 1990s, and became the world's largest container producer and seller in the world.

The globalization features have become an inseparable part of CIMC. Since last century, the Group has strategically reduced its dependence on container business and accessed to airport facilities, vehicles, energy and chemical equipment,

offshore engineering equipment, modern logistics, finance and industries and cities. During this period, CIMC has successfully incubated a number of innovative enterprises, such as CIMC E-commerce, Modular Buildings, and Intermodal Development.

According to Yu Ya, CIMC's acquisition and merger are driven and directed by its development strategies. As a multinational industrial group with diverse operations offering unrivalled products and services to global users, CIMC has over 300 member companies in Asia, North America, Europe, Australia and 3 listed companies, with its client and sales networks extended to over 100 countries and regions. In 2017, the Group achieved sales revenue about 76.3 billion yuan and net profit about 2.5 billion yuan.

"Our access to global market starts with competitions." From the perspective of Yu Ya, CIMC has gradually become "invisible champions" in some business segments through continuous international acquisitions. "This is truly a painstaking process. During the bitter days, we had only 59 employees, but we did not give up looking for buyers."

Transformation and upgrading

CIMC transforms its business focus from containers to diverse and high-end manufacturing

On July 31, the Hong Kong listed CIMC-TianDa Holdings announced that one of its subsidiaries had entered a deal to acquire a 60% stake in Shenyang Jietong for 600 million yuan. This is a milestone after CIMC's acquisition of Ziegler and restructuring of equity held in China Fire Safety Enterprise Group Limited.

This deal means that Shenzhen may witness the rise of a world champion in firefighting truck manufacturing industry. "It is CIMC's mission to bring its firefighting truck business to the national championship level and even the world championship level. In the future, we will continue to make the firefighting truck business bigger and stronger", said Zheng Zuhua, Executive Director and CEO of CIMC-TianDa.



In the road transportation vehicles field, CIMC ranked first place in terms of production capacity and scale many years ago. The ACT Research 2015 shows that CIMC Vehicles ranked first place in the world in terms of sales volume in 2014. And then it continued the leading position for consecutive 4 years.

On August 9, CIMC announced that the proposal for CIMC Vehicles (Group) Co., Ltd to go public outside the Chinese mainland had been approved by the board of directors, and CIMC Vehicles will commence trading on the Main Board of the Stock Exchange of Hong Kong Limited. If the spinoff works, CIMC will have one more independent going public platform besides its airport facilities and firefighting equipment and energy, chemical and food equipment businesses.

These achievements are actually the accumulations that CIMC has made in its overseas explorations over the past three decades. The Group has made solid and fast steps forward when shifting from a single type of product to diversification of businesses.

"Precision and quality are always the crucial elements of all products made by CIMC", said Frank Sonzala, CEO of the US-based skeletal semitrailer company CIE, "we can see CIMC's products on many highways. The whole vehicles and spares and components are all made by us. On North American markets, our products are not cheapest of the class, but they must be the best of the class."

Global operation is the secret to CIMC's eye-catching performance in fierce competitions.

After starting to build road transportation vehicles in 2002, CIMC accessed to natural gas equipment and offshore engineering equipment businesses in 2008. Later, it successfully acquired some well-known international conglomerates such as Eric Food Equipment, Netherlands Burg Industries B.V., German time-honored firefighting truck manufacturer Ziegler Group, German long-established Ziemann Group and the UK-based 27-year-old Briggs Group.

CIMC has improved its scientific research performance during acquisitions and mergers. Statistics show that the Group has established two types of overseas physical R&D centers and bases in 30 countries and regions: the first type is for the basic R&D and product development; the second type is to ensure the building and manufacturing performances, and then offer support to the entire development system. Now CIMC has about 6,000 overseas employees.

Making appointments on abilities

Logic behind the Shenzhen-based company's "Global Operation, Local Wisdom"

CIMC has been considering how to stand out on markets through its global business layout, and it sticks to and continuously adds new connotations to the operating principle of "Global Operation, Local Wisdom".

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好收成 好收入 好生活

"When CIMC shares its management competence, risk control ability and supply chain system with its member companies across the world, it should fully respect and highly trust the local management teams in overseas branches so as to gain better perception and understanding of the characteristics of target markets and meet the demands of target groups", said Yu Ya. These attempts are to turn overseas branches into real members of the CIMC family. "We should give full play to our global resources, establish a real common cause platform, and mobilize all members to come out with their best performances on local markets."

"Global Operation, Local Wisdom" is not a slogan pleasant to ear. During its overseas business growth, CIMC has developed a set of unique business logics – making best use of local human resources. Among 887 employees of the UK-based trailer

manufacture Retlan Group, none of them comes from China; in Germany-based Ziegler, the number of employees rises from 900 in 2015 to 1,400, and most of them are recruited locally; in the US-based CIE, only a few employees come from China or are of Chinese origin. Even so, the employees from these foreign companies have effective and close communication with their colleagues in China."

The US-based CIE even launched the "more powerful manufacturing partner program", also known as the "eagle plan", in an attempt to promote communication between employees in the US and in China. The selected Chinese engineers and customer service staff will work in the US offices and factories for 3 months, and they will return to China and work for another 3 months. Staff who has successfully completed the program will be awarded CIMC's MBA degree.

Such staff is called by Frank Sonzala as "astronauts", and the places where they have worked are called as "international space station". "Business cultures of the US and China have been organically united in an innovative manner. Last year, 10 students completed the program. By doing so, the Chinese staff and their American colleagues have the opportunity to learn from each other."

However, cultural difference is inevitable during the exploration of global markets. In this case, the problem has to be solved with old method. "As soon as I set foot on the European continent, I will immediately beginning round trips. Averagely, I will have about 100 air tickets for China-Europe and Europe-China trips a year. By doing so, I hope the cultural difference existing between Chinese and foreign staff can be minimized", said Zhang Ling. As problems are solved

continuously, both the business of the company and the spirit of staff go up.

"With the platform of CIMC, we can access to the resources in China and the whole world. CIMC starts many businesses from scratch, and then uses existing advantages and resources to consolidate achieved outcomes", said Luan Youjun, Managing Director of Ziegler.

"When considering a problem, take the whole world into consideration; when doing a job, put it into practice locally." Over the years, Christian Blatt, General Manager of Nantong CIMC Food Equipment Co., Ltd, and the management members have mastered efficient approaches to pool the wisdom of people with different cultural backgrounds, "CIMC is devoted to quality and service ability, and this is its basic principle that functions in exploitation of international markets."

Reform and innovation

"Double engines" make dreams come true

Here is the picture: on the vast sea, diverse offshore engineering equipment including deep-sea net cages and aquafarms are working smoothly, and they can even integrate offshore catering, housing, travelling, touring and buying functions; Blue Whales One and Two, the pillars of a rising power, have contributed to the test mining of natural gas hydrate (flammable ice) and taken China's ability in the exploration of deepwater oil and gas aligned to the world's best performance benchmarks.

These are representative products that CIMC Offshore has manufactured with integrated global resources and scientific research strength of Shenzhen. On the path to grow from zero experience to a hero contributing to the building of pillars for the rising China, CIMC has to make explorations and attempts on its own.

The reason that CIMC has made progress in innovations and R&D activities is closely related to its adherence to improving core designing ability and cultivating local core talents. Over the years, it has cultivated China's first generation of deepwater platform engineers and a number of teams with practical working experiences. Today CIMC Raffles have a talent pool of 1,000 engineers aging 34 years old averagely.

Yu Ya believed that the "double engines" will be playing an important role in promoting technological progress. "In Europe, many products are under researches in industrial laboratories, and it takes years for them to be commercialized. But CIMC has the courage to bring them out of laboratories and put them into industrialization practices". Taking the cooperation between CIMC and its European subsidiaries as an example, Yu Ya commented "when Chinese enterprises and their European partners work together and form authentic 'double engines', it will make significant contributions to relevant industries."

In 2010, the largest firefighting truck maker Ziegler encountered a serious problem.

The European Union believed that Ziegler and other companies jointly secured a monopoly in prices and imposed a fine of 9 million Euros on the company. Due to cash flow limits, the unlisted company was taken over by the German government after failing to pay the required fine. After that, German government tried to find an ideal buyer for the company on global market. At last, it was acquired by CIMC.

"We had a thorough investigation and analysis of Ziegler before the acquisition. When we benchmarked it against a listed company, we found that its development ideas was backward", said Luan Youjun. After the acquisition, CIMC's senior management staff spent over 10 days to visit all core clients of the company and promised to respect

its time-honored brand culture. "CIMC gives Ziegler the international vision of going out, helps it enhance the international operation ability and reconstructs it with CIMC's existing operating and management philosophy."

The same thing also happened when CIMC purchased 100 % of the shares of the UK-based 276-year-old Briggs Group in 2016 for a maximum consideration of £23 million to expand its energy, chemical and liquid food equipment business.

"Now we have more employees and more product lines, and our technology is developing very fast", said Christian. CIMC is considering the possibility to build a new brewing factory which will use cutting-edge technology to gain pricing power and reconstruct and upgrade existing business lines.

Yu Ya divides CIMC's global operation into three phases: during the first and the second phases, CIMC mainly interacts with its US and European branches and business partners, and takes innovations targeting at global markets. Its vehicles business in the US can be considered as an innovative representative of the combination between manufacturing model and business model; during the third phase, CIMC pays more attention to integrating global resources, developing independent innovation abilities and systems and forming strategic emerging businesses by accessing to high-end manufacturing businesses such as offshore engineering.

"Reform and opening-up practices make it possible for CIMC to carry out global operations. We hope that through continuous reforms and innovations, CIMC will be able to contribute to the building of pillars of a rising power. This is the driving force that makes us go ahead. Though there may be difficulties and problems, our explorations will not stop", said Yu Ya.



“ 887 employees are all recruited locally

Britain is an important part in CIMC's global business layout. Through in-depth discussions with the senior management staff of Retlan about incentive measures, technological consolidations and CIMC's experiences in global operations, we finalized the acquisition deal with Retlan. If CIMC wants to access to the British market, it is necessary to carry forward the spirit of the local company and makes innovations. This is not an easy job.

Now we have 887 employees, and all of them are recruited locally. This is a reflection of the connotation of "Global Operation, Local Wisdom". That is to say, we should encourage local teams to lead the company to lay foundations for future development through valid authorization, efficient control and management and practical and workable incentive mechanism. CIMC Vehicles' management philosophy for Britain is quick similar to those for other countries, and its operating principle has been tested and improved for numerous times.

YE JIANFENG,
Director and Chairman of Global Operation Committee of Retlan

“ Cultivate innovative talents by implementing the eagle plan and making best use of the international space station

CIMC has been totally globalized. We can exploit markets in many countries, such as the US, Canada, Mexico, Europe, Oceania and Caribbean Islands. China's advanced techniques are also our core competitiveness. The products manufactured in CIMC Dongguan Lighthouse Plant has unrivalled cutting precision, smooth finish and warranty period.

Talents are the most important value assets of CIMC. We have made a series of attempts, such as the "eagle plan" and the "international space station" program, to cultivate innovative talents.

FRANK SONZALA,
CEO of CIE

“ Quality and service are the global consensus. They should take root in China

It is not rare for Chinese companies to exploit global markets. But CIMC takes different approaches. As a multinational company, it focuses on quality and service competence, and this is what makes us rank first places for years in the world.

I am working with my Chinese colleagues. And I find it is necessary to introduce the ideas about quality and service, the universally recognized and accepted ideas, into China and make them take root here. To have the job done, Chinese colleagues should communicate and even argue with their European colleagues, and vice versa. We will deliver a series of trainings so that both of them can understand each other, and finally, they will be thinking and working with aligned excellence no matter where they are. We hope to maintain and consolidate our leading position in the food equipment industry, and expand our businesses by using CIMC's resources.

CHRISTIAN BLATT,
General Manager of Nantong CIMC Food Equipment Co., Ltd

By Su Ziwei, reporter of *Nanfang Daily*

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