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CIMC Annual Results of FY2018

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



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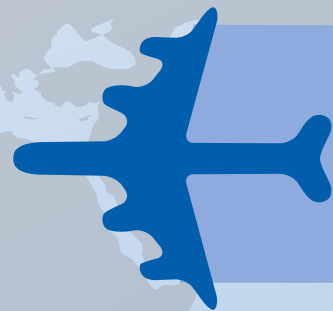
CIMC Annual Results

The world-leading supplier of Logistics Equipment & Energy
Equipment and Services





The global economy has maintained steady growth, **the growth of global container trade and China-foreign trade exports has not been significantly affected**, and China's overall economic operation is still showing a steady and positive trend.



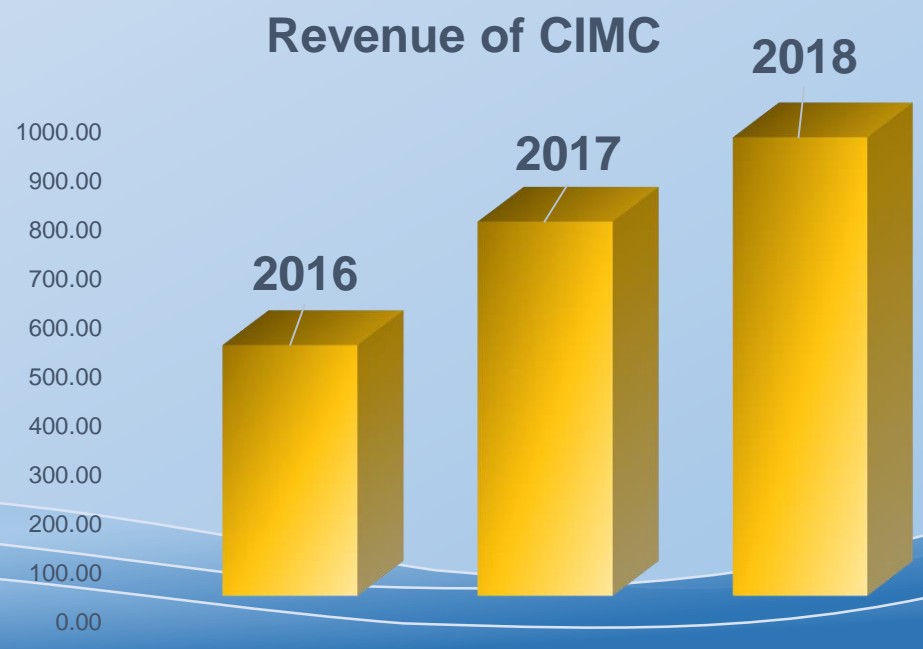
Global Sino-US Trade Friction Affects Global Economic and Trade Activities
The environment at home and abroad is facing changes.

The major business sectors of the Group still strive to grasp market changes, lay out new industries and innovative businesses by **vigorously promoting strategic upgrading and business transformation, adjusting production capacity layout, innovating technology and business models, and managing and controlling operational compliance risks.**



	Container Manufacturing	New High Order Quantity ; “Longteng Plan”
	Road Transportation Vehicle	‘lighthouse factory’ ; Intelligent Manufacturing; Global Operations
	Energy, Chemical and Liquid Food Equipment	China-EU Interaction; “the world’s local CIMC ”
	Offshore Engineering	New and Old Kinetic Energy Conversion ; ‘ Blue Whale 1’ ; General secretary Xi Jinping visited and inspired CIMC Raffles
	Airport Facilities Equipment	Holding CFE ; M&G SJFT、 SJSVE
	Heavy Truck	“leading domestic techniques and following foreign techniques”
	Logistics Service	‘equipment + service’ ; ‘Belt and Road Initiative’
	Industrial City Development	land reserve and project promotion Made Breakthroughs
	Financial Business	Successful completion of 650 million additional capital

	Increase / decrease (%)	2018	2017
Operating income (Billion yuan)	22.54	934.98	763.00
Net profit attributable to shareholders and other equity holders of the Company (Billion yuan)	34.72	33.80	25.09
Gross profit margin (%)	-3.48	14.88	18.36
Return on equity (ROE)	2	10	8
Earnings per share (EPS) (yuan)	37.04	1.11	0.81





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02

Management Measures





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Management Measures

Optimize 5S management system

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

Create champion products

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

Intelligent upgrade

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

Promote lean management ONE model

It has covered seven major businesses and defined the strategic direction of upgrading ONE from 1.0 to 2.0.

scientific and technological innovation

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

Innovation and entrepreneurship

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



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03

Business Reviews

Business Operation in Major businesses





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

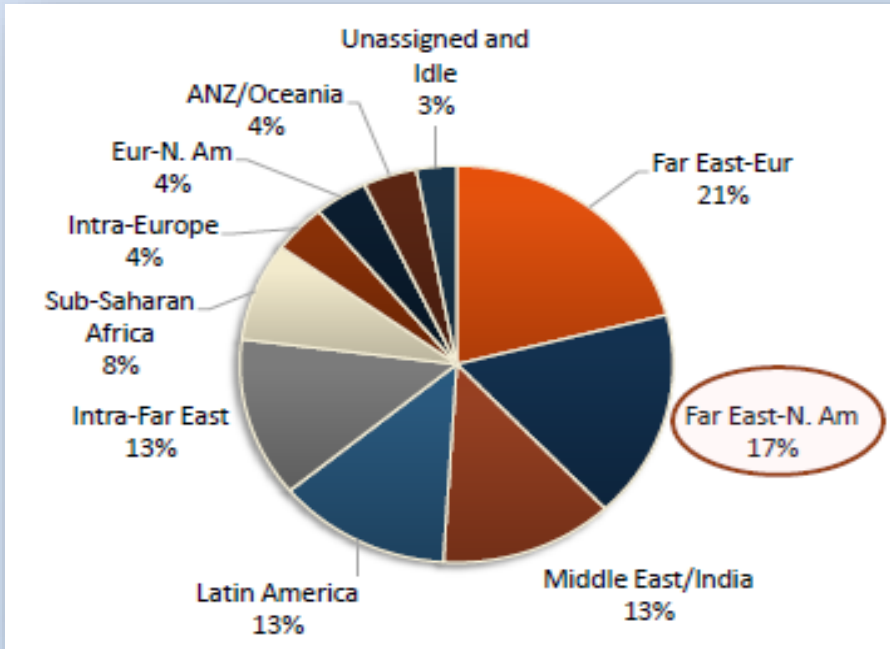
Global dry container sales chart for recent 5 years

Table 3: World dry freight container* output by manufacturing group (TEU)

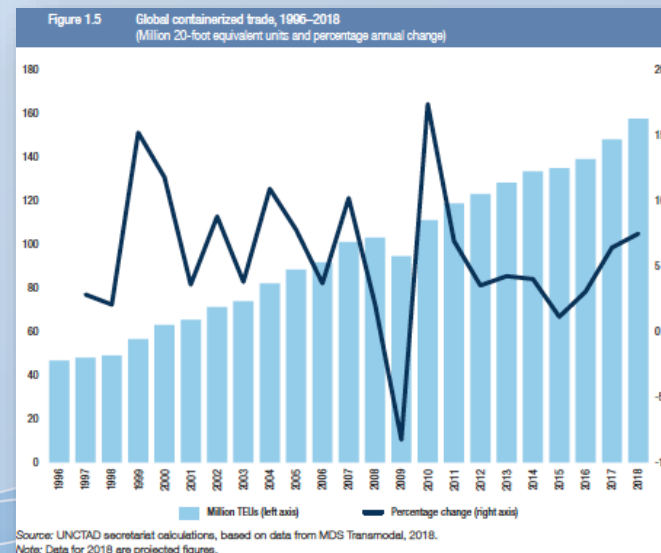
Company	2014	2015	2016	2017	2018**
CIMC Group	1,460,000	1,205,000	790,000	1,475,000	1,370,000
Singamas Holdings	630,000	475,000	510,000	690,000	665,000
CXIC Group	525,000	365,000	260,000	385,000	445,000
Dong Fang International	310,000	295,000	205,000	495,000	525,000
MCI Dongguan	155,000	160,000	85,000	185,000	110,000
Pan Ocean Container	50,000	50,000	75,000	90,000	80,000
Guangdong FUWA	-	-	-	-	30,000
Other Chinese	50,000	25,000	25,000	20,000	15,000
Rest of world	70,000	75,000	80,000	80,000	60,000
Total	3,250,000	2,650,000	2,030,000	3,420,000	3,300,000

*ISO standard/special, palletwide and domestic. **Jan-Sept. Source: Container manufacturing industry

Percentage of global container shipping capacity



Global container trade from 1996 to 2018



The relationship between global economic development and shipping volume



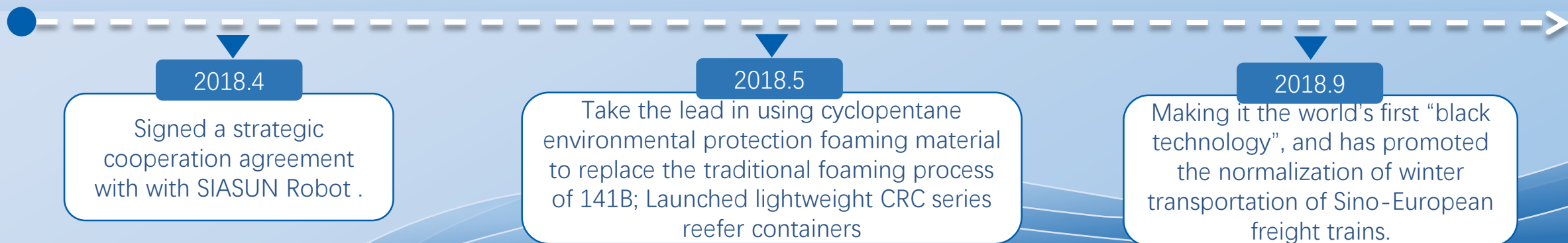


- **Technology research and development**
- **Major project investment**
 1. Fenggang, Dongguan
 2. "Longteng Plan"
 3. heat storage and temperature controlled containers
- **significant assets disposals**

the original reefer container factory in Qingdao

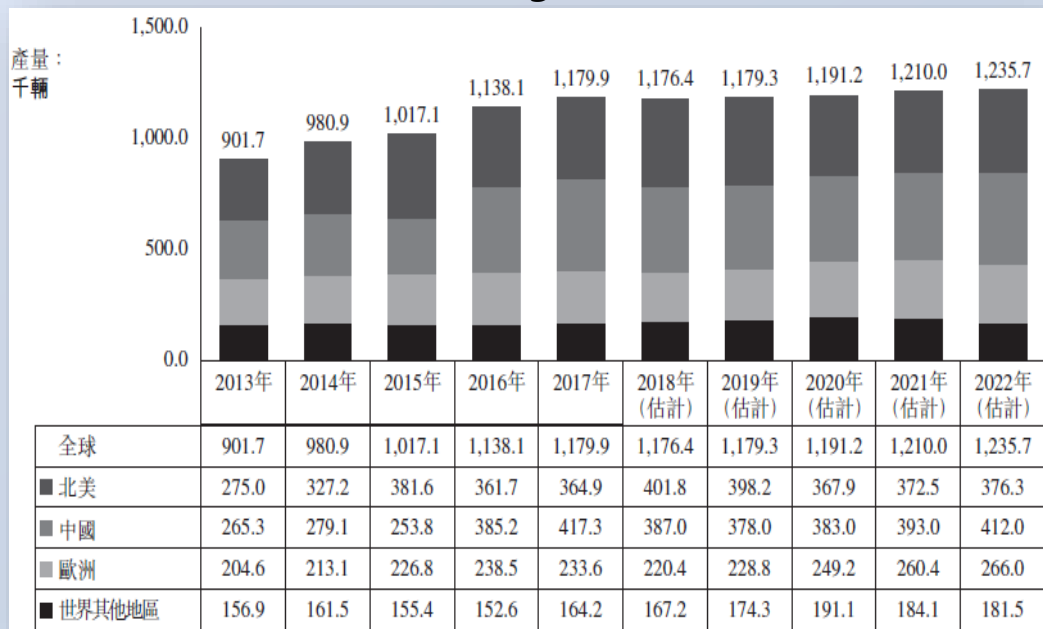
	Increase / decrease (%)	2018	2017
Sales volume (ten thousand TEU)			
Ordinary dry containers	17.95	154.39	130.89
Reefer containers	54.17	16.82	10.91
Operating income (100 million Yuan)	25.91	315.36	250.47
Ordinary dry containers	21.93	216.06	177.19
Reefer containers	53.44	50.24	32.74
Special reefer containers	8.03	51.94	48.08
Net profit (100 million Yuan)	29.22	18.91	14.63

Orders for the most decade, production and sales continue to maintain the world's first industry

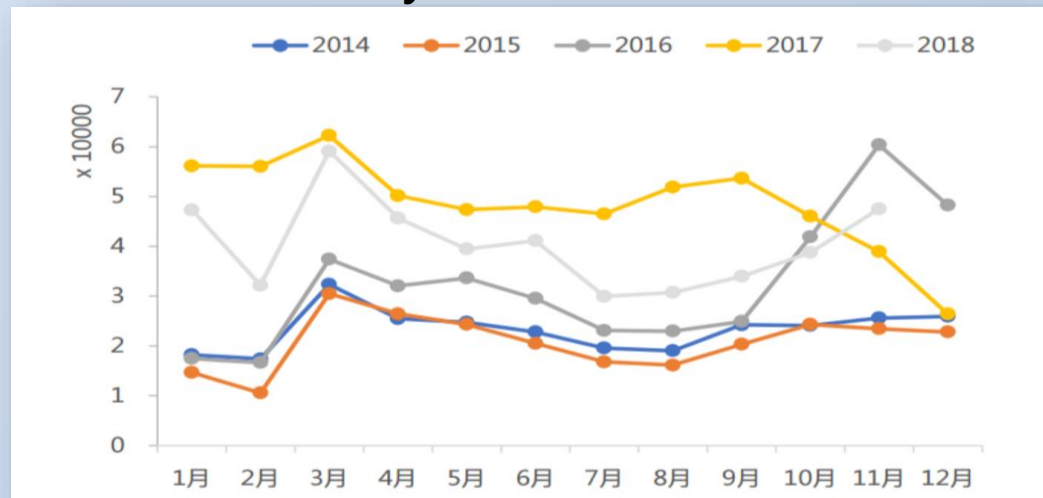




Semi truck sales in all regions from 2013 to 2022



Domestic heavy truck semi-trailer tractor sales



Semi-trailer industry and its downstream market shows expansion trend

China

- Domestic semi truck sales declined in 2018 and are expected to continue to decline to 378,000 units in 2019.
- Domestic semi truck sales are expected to increase from 2020 to 412,000 in 2022.

Europe

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

North America

- North American semi truck sales grew at a compound annual rate of 7.3 percent from 2013 to 2017.
- North America is expected to sell 376,300 semi trucks in 2022.
- The 2017 to 2022 cagr is expected to slip to 0.6 percent.



	Increase / decrease (%)	2018	2017
Operating income (100 million Yuan)	24.99	244.00	195.21
Net profit (100 million Yuan)	25.04	12.73	10.18
Sales volume (ten thousand units)	17.79	19.20	16.30

China

In 2018, dump truck and mixer truck sales increased.

Over seas

- ✓ North American market: sales continue to increase;
- ✓ European market: effective penetrated local market;
- ✓ Emerging Markets: Established Overseas Subsidiaries to deeply cultivate Mainstream Markets.

The overseas listing of CIMC vehicles has been approved by CSRC

2018.7

Super Magellan digital production line was officially put into production in yangzhou

2018.8

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

2018.9

Cimc Vehicles to be converted into a joint stock company.

2018.9

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

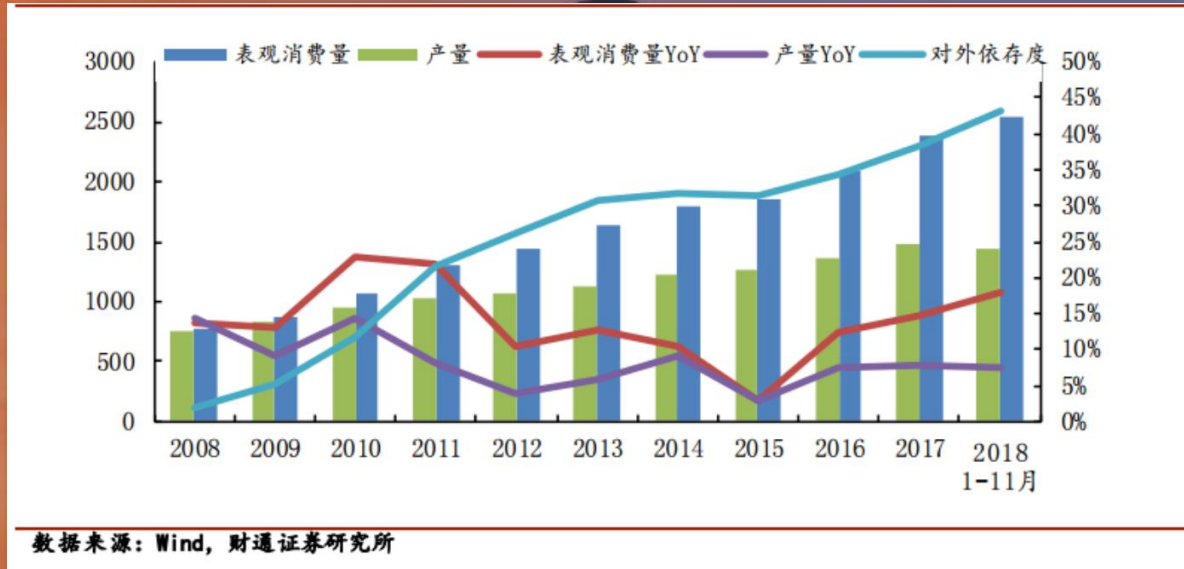
2018.12

The application for h-share listing to the stock exchange of Hong Kong was accepted



Global Energy, Chemical and Liquid Food Equipment industry

Natural Gas Supply and Demand in China



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

- Domestic policies are favorable, and efforts have been made to promote the construction of natural gas pipelines, underground gas storage, LNG receiving stations and other infrastructure.
- The government further strengthened the strict control of the ecological environment, and emphasizes resolutely fighting the hard battle of pollution prevention and control.

- ◆ In 2018, the globalized industry was active, chemical production increased and chemical logistics increased.
- ◆ Global tank leasers and logistics operators are actively increasing investment to directly drive the growth of tank container sales.

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

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

- ✓ The liquid food industry has also grown rapidly in recent years. Benefit from the steady growth of population, the growing prosperity of the global society, the improvement of people's living standards, and the strengthening of food safety and health awareness.



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

Clean energy segment

- the **only** key equipment manufacturer and engineering service provider of natural gas with **full industrial chain coverage** in China;
- the production and sales volumes of LNG, LPG CNG storage and transportation products were leading nationwide;
- It realized China's first south gas to north and river-ocean transport with LNG tank containers through **cooperation with CNOOC Gas and Power Group Co., Ltd. and China LNG Group.**
- As of March 2019, the order for handships includes **4 LEG ships and 2 LNG refueling ships.**

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

Liquid food segment

- ✓ continued to **improve and promote craft beer** system and equipment;
- ✓ The **revenue from sales orders** of both domestic and international businesses as well as non-beer business **in 2018 has increased**;
- ✓ explored **rice wine and pharmaceutical markets**;
- ✓ for the first time and based on the novel **brewhouse concept OMNIUM by ZIEMANN®**, introduced equipment for commercial breweries.

Chemical environment segment

- ◆ ranking the **first** in the market **globe-wide for 15 consecutive years**
- ◆ successfully developed 45 feet super-volume SWAPBODY tank containers, anti-corrosion lining tank containers and large-volume railway tank containers
- ◆ explored the use of **new environment-friendly materials**;
- ◆ **expanded the portfolio of special-purpose tank products** independently developed and produced

2018.5

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

2018.7

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

2018.10

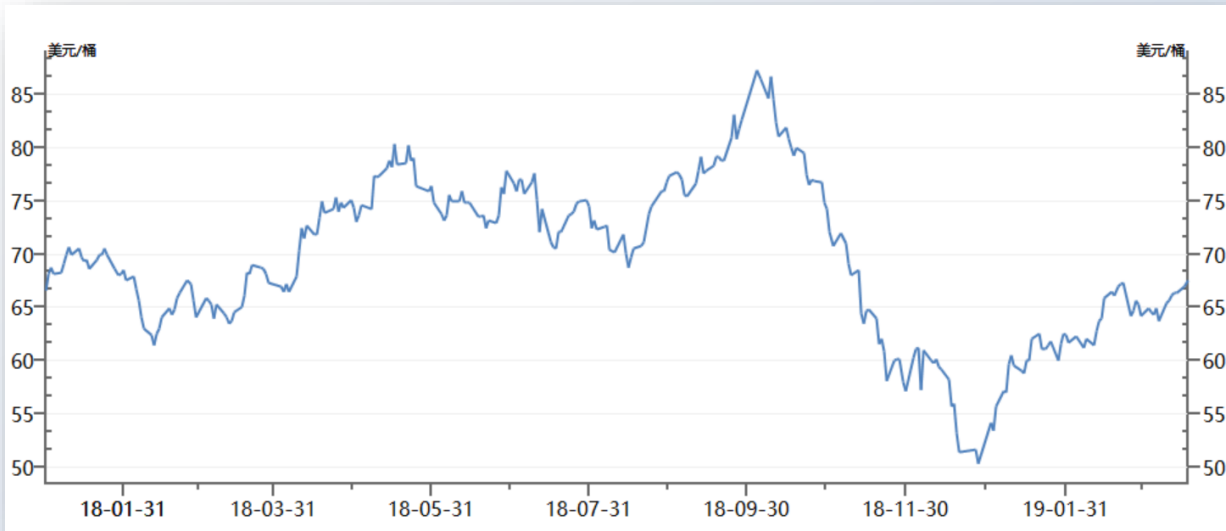
To build the largest automatic LNG filling platform in China

2018.10

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



Brent Crude Oil Price Trend in 2018



The idle rate of various types of marine craft is still at a certain high level. In terms of market conditions, the vacancy rate in Southeast Asia is the highest.

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

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

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





	Increase / decrease (%)	2018	2017
Operating income (100 million Yuan)	-2.08	24.34	24.85
Net profit (100 million Yuan)	-231.86	-34.49	-10.39

- Construction and delivery of multiple platforms
- **Twenty-five orders** with a contract value of **\$480 million** have entered into force.
- **National Offshore Oil Drilling Platform R&D Center and National Engineering Laboratory of Offshore Engineering Assembly R&D and Design.**
- Actively Develop Non-Oil and Gas Marine Industry Business

Four R&D and design companies, **three** construction bases and **six** operation management companies

- 2018.6**
General secretary Xi Jinping visited and inspired CIMC Raffles.
- 2018.8**
Cooperate with shandong Ocean Group to design and build China's first comprehensive platform of Marine ranching 'genhai 1'
- 2018.10**
lead the national innovation project for the seventh generation of ultra-deepwater drilling platforms (vessels)
- 2018.10**
Cooperate with Bohai Ferry signed the contract for the construction of ro-ro ship for most purposes in Asia and the strategic cooperation agreement for luxury international cruise industry
- 2018.11**
Construction of the world's largest and most advanced deep-water aquaculture vessel started.



The growth rate of passenger turnover is higher than that of freight transportation. Supply and demand of airport equipment and related business markets continue to grow steadily

Aviation



The development of E-commerce express delivery brings good opportunities to automatic logistics equipment

Automated Logistics



Urbanization continues to drive industry growth. Advantageous Enterprises in China's Fire Protection Reform

Fire engine



Airport Equipment Business



Automated Logistics System Business



Fire and rescue business



Intelligent Parking Service



Guidelines on Strengthening the Construction of Urban Parking Facilities to Encourage the Development Policy of Parking Industry. Green and New Energy of Bus Vehicles is the Inevitable Requirement of Sustainable Development.

Intelligent parking





Airport Facilities, Fire and Rescue and Logistics Equipment business

	Increase/ Decrease (%)	2018	2017
Operating income (100 million Yuan)	29.88	46.71	35.97
Net profit (100 million Yuan)	31.67	1.93	1.46

Airport Equipment Business

- ✓ Promote the development of American market.
- ✓ Research and Development of Intelligent Boarding Bridge
- ✓ Strengthen Product Life Cycle Management
- ✓ The domestic market share of ferry vehicles will continue to be the top; the revenue and profit of platform vehicles will reach a new high again.

Automated Logistics System Business

- ✓ Successfully enter new energy, liquor and other new industries
- ✓ Independent research and development of sorting machine; the first intelligent travel inspection system in China

Fire and Rescue Vehicle Business

- ✓ International: Promoting Mergers and Acquisitions, Share Ownership and Business Cooperation
- ✓ Domestic: Focus on the development of lift car market, product line and regional coverage of two-dimensional development; "unified service + R&D + procurement"
- ✓ With the accession of Jettison and Jindun, the domestic market share exceeds 20%.

Intelligent Parking Equipment Business

- ✓ Fundamental Reversal of Profit
- ✓ Independent R&D industry pioneered the "mechanical intelligent bus parking garage", the technical indicators are far ahead, promote the project landing, achieve business leaps and bounds.





Heavy Truck business

Global heavy truck market **regulatory policies** and **emission standards** are becoming more stringent, industry concentration is increasing, and head customers are growing faster and faster.

Sales of new cars fell for the first time in 28 years

domestic market

- ✓ Development Strategy of Heavy Gas Truck
- ✓ First batch of LNG clean energy dregs trucks
- ✓ Lightweight mixer

International market

- ✓ Full vehicle and spare parts shipment
- ✓ Expanding the Polish market and opening up new distributor channels in the Philippines, Myanmar, Vietnam and other regions

Domestic heavy truck sales in 2017 and 2018



'Three-Year Action Plan' accelerate the change of vehicles

Large-scale infrastructure construction, increasing demand for construction vehicles and dump trucks

	Increase/Decrease (%)	2018	2017
Operating income (100 million Yuan)	-3.04	24.88	25.66
Sales (units)	-4.33	8,333	8,710





	Increase / decrease (%)	2018	2017
Operating income (100 million Yuan)	5.28	86.28	81.95
Net profit (100 million Yuan)	82.57	1.58	0.86

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



- ◆ **Container Service Line:** Continuous cooperated in ship yard business, railway yard service, rental and sale of new and old containers. Deepened business cooperation with Thailand, Vietnam and other Southeast Asian markets.



- ◆ **marine transport and project logistics business line :**
 - (1) Overseas: strengthening Africa and promoted East Africa.
 - (2) Domestically, we promoted the distribution of freight forwarding outlets in South China, strengthened the national coverage of freight forwarding services, and actively explored strategic opportunities in new areas such as LNG tank intermodal transport.



- ◆ **rail-water intermodal transport business line :** "Manufacturing + Service" as the Core of Unitized Vehicle Leasing Business
- ◆ Focus on building cross-border logistics products for industry customers and enhancing overall competitiveness.



- ◆ **Equipment logistics business line :** Establishment of Domestic Multimodal Transport Channel Network and Freight Transport Network.



	Increase/ Decrease (%)	2018	2017
Operating income (100 million Yuan)	187.37	28.93	10.07
Net profit (100 million Yuan)	193.15	5.64	1.92
Sales area (Ten thousand m ²)	112.66	33.60	15.80

✓ In November 2018, Shenzhen Shekou Prince Bay high-quality land was successfully acquired by means of capital increase and stock expansion.

✓ On September 30, 2018, the Qianhai Project started its construction ceremony, and the project entered a stage of rapid progress.

Great breakthroughs have been made in land reserve and project promotion

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





CIMC Financial Leasing Company



Steady Neutral Monetary Policy and Continuously Strengthened Financial Regulation Policy

The central bank supports the real economy and guides the long-term interest rate downward

	Increase/Decrease (%)	2018	2017
Operating income (100 million Yuan)	-10.61	20.92	23.41
Net profit (100 million Yuan)	-43.83	5.57	9.92

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



CIMC Finance Company





Modular Building & Multimodal Transport

Domestic market

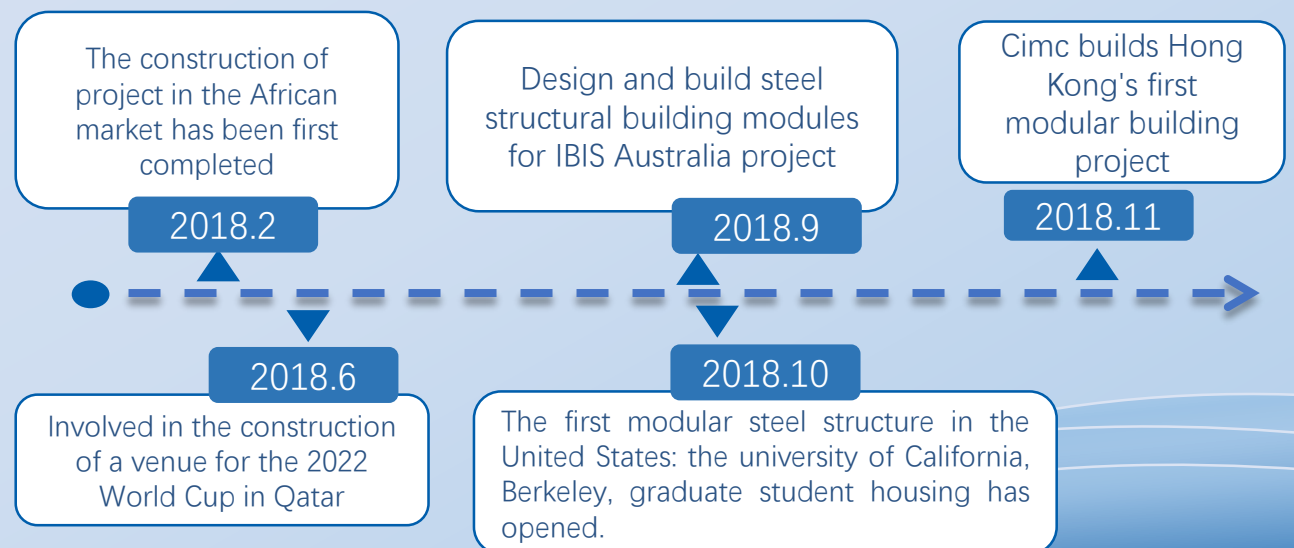
- ✓ **Xiongan Citizen Service Center project**, Xiongan completed 30,000 square meters Hotel and office building projects in less than 100 days.
- ✓ It was the first to obtain technical admittance approval from the **Hong Kong Housing Department** and successfully delivered the CIC demonstration project

International market

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



'Manufacturing + Finance + Service' One-stop Combination of Industry and Finance



Railway Business

Railway Container Lines Accumulated **20+**, Seven of the **18 railway bureaus** in the country have liner service , **Ten railway bureaus** have liner arrival business

Ocean Shipping business

Controllable shipping capacity of more than **50 ships**, and began to enter the coiled steel rail intermodal transport.



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04

Financial Reflects

“Strong Strength & Steady Performance”





Total Asset

RMB 100 million



Net profit attributable to the shareholders and other equity holders of the parent company

RMB 100 million



Revenue

RMB 100 million



Total equity attributable to shareholders of the parent company

RMB 100 million

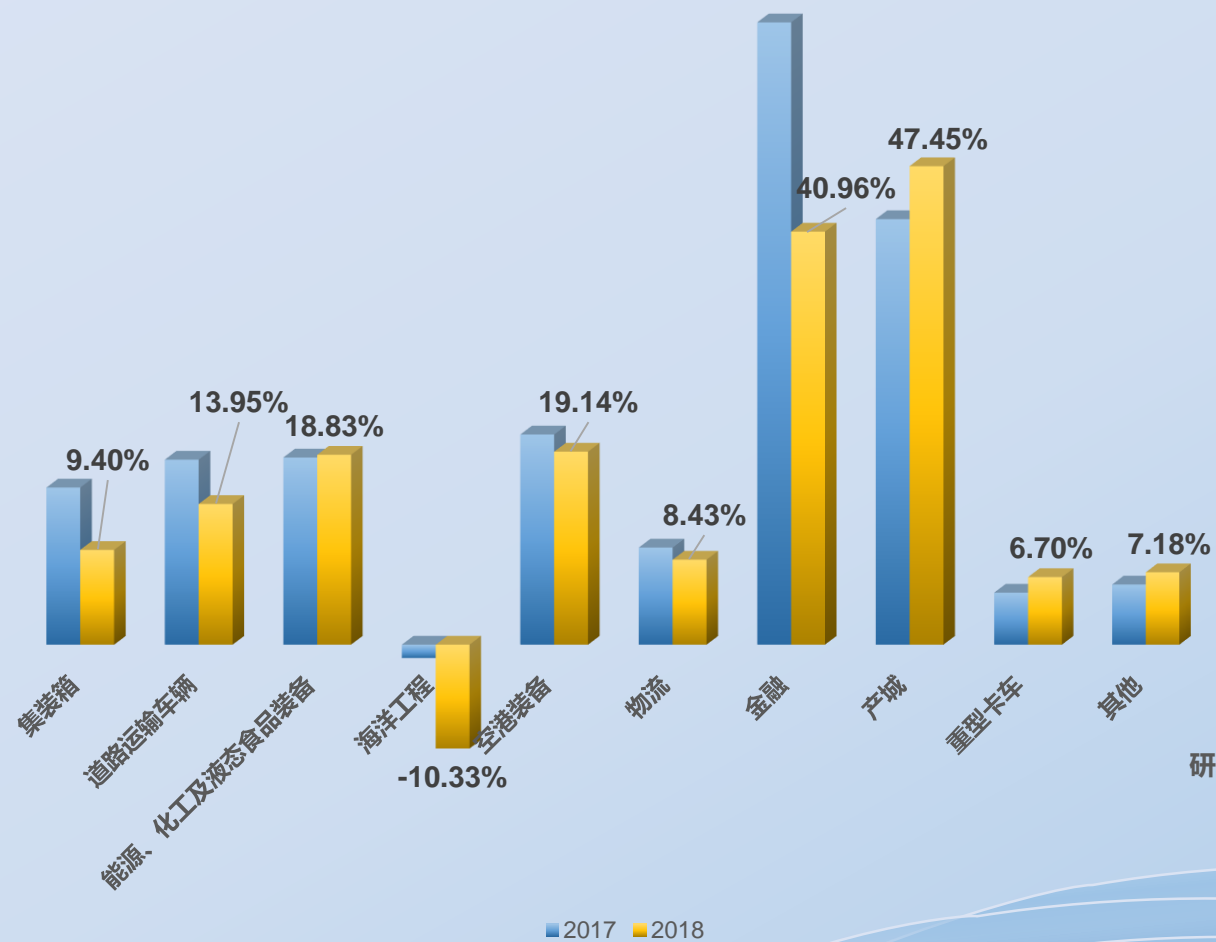


By the end of December 31th (100 million Yuan)	At the end of the Reporting Period (31 December 2018)	At the end of the previous year (31 December 2017)	Change
Total assets	1,588.84	1,306.04	21.65%
Total liabilities	1,064.81	873.67	21.88%
Short-term borrowings	198.98	153.17	29.91%
Long-term borrowings	257.70	241.40	6.75%
Total equity attributable to shareholders and other equity holders of the parent company	373.25	324.61	14.98%
Total shareholders' equity	524.03	432.37	21.20%
liability/asset ratio	67.02%	66.89%	0.13%

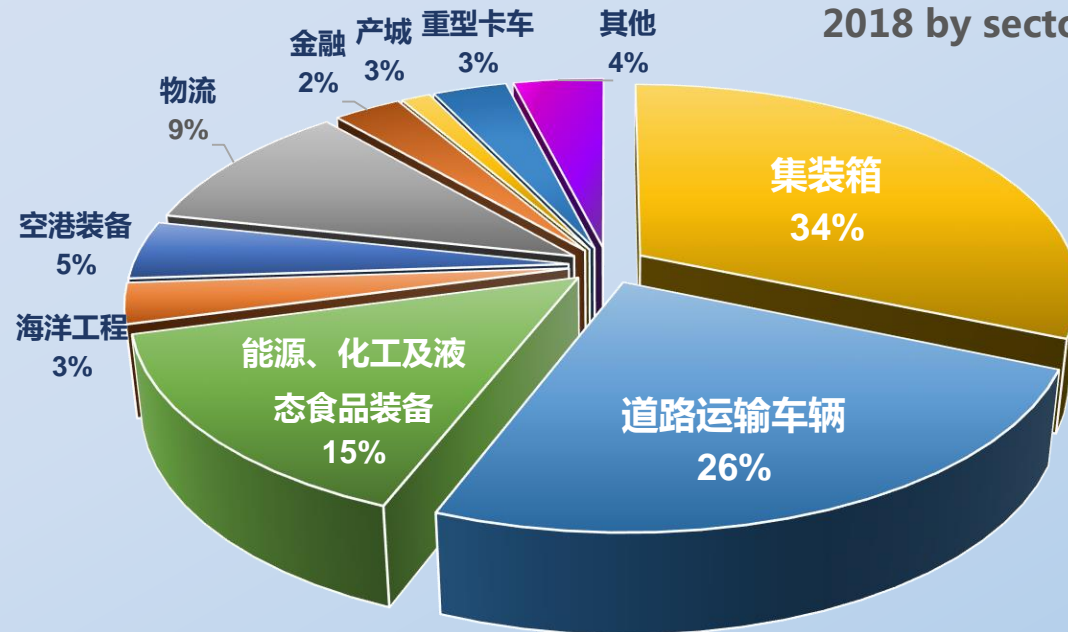
By the end of December 31th (100 million Yuan)	FY2018 (Jan. to Dec.)	FY2017 (Jan. to Dec.)	Change
Net cash flows from operating activities	1.41	44.65	-96.85%
Net cash flows from investing activities	-44.02	-17.70	-148.70%
Net cash flows from financing activities	92.96	35.37	362.80%



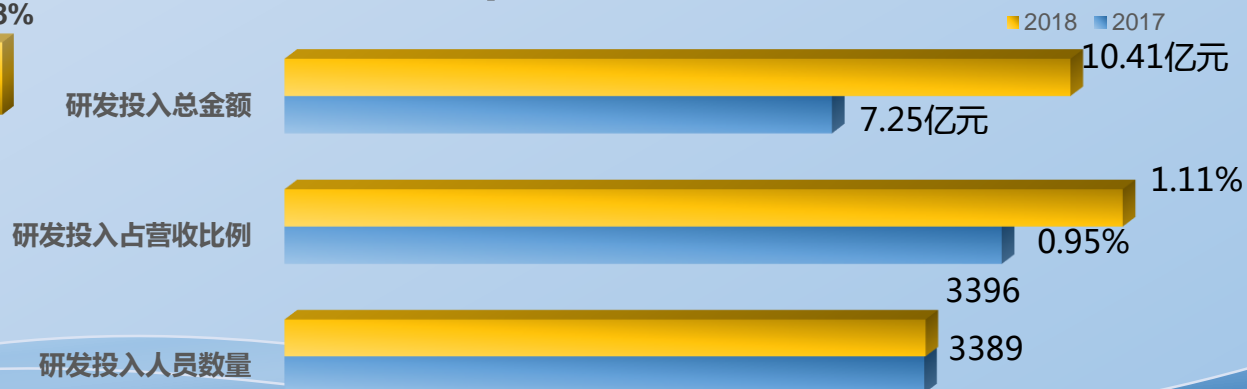
Gross profit margin of principle business



Share of revenue in 2018 by sector



research input in 2018





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05

Future Outlooks

“Intelligent Manufacturing + Intelligent Logistics”



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

Container Manufacturing

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

Road Transportation Vehicle

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

Offshore Engineering

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

Energy, Chemical and Liquid food equipment

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



Airport Facilities Equipment

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



Heavy Truck

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



Finance

- In 2019, domestic financial leasing enterprises face both challenges and opportunities, and the overall economy is exposed to growth deceleration, and the domestic economy may continue to go down. Leasing companies will shoulder dual pressure and challenges relating to capital and assets in their operations.
- On the other side, financial leasing companies will return to the origin of leasing business, focusing on the synergy from the integration of industry and finance, creating specialized and differentiated competitive advantages based on leasing items.
- With the gradual emergence of the impact of trade frictions, increasing downward pressure on the domestic economy, stable growth gradually takes on heightened importance, the monetary policy will undergo a transformation from "Monetary Easing" to "Credit Easing". The central bank is expected to implement moderate to loose and structurally loose monetary policies. However, other factors such as deleveraging, risk prevention and international monetary policy tightening cycle have limited the room for easing.



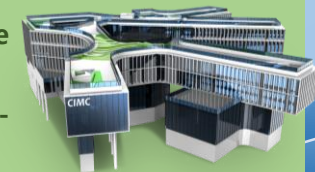
Logistics Services

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



Industrial City Development Business

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





Container Manufacturing Business

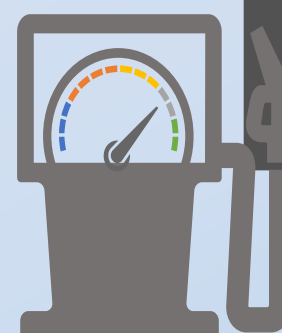
- It will **increase efforts on investment in research and development and equipment investment**, and improve the level of intelligent container manufacturing and green development.
- The Group will strive to complete the construction of the entire phase I of the new factory project located in Fenggang, Dongguan as planned and put it into use in 2019.
- The Group will **quicken its pace of the commercialisation of certain old factories or idle land**.
- the Group will actively explore and develop business areas related to the container mature business, such as **cold chain equipment and logistics equipment**, so as to grasp new business opportunities.



- It will consolidate its leading position in the global semi-trailer market via product features by **strengthening global operations**.
- In China, the Group will continue to **construct the new production plant of the demonstrative Yangzhou Plant**, expand the **existing production lines**
- **In the North American market**, the Group will increase the production capacity for refrigerated trailers and chassis trailers in the United States.
- In Europe, it will **increase the assembly capacity for curtain-side trailers**, swap bodies and refrigerated trailers.
- **In the emerging markets**, the Group intends to increase production and marketing efforts in Djibouti to **strengthen operational capacity in Africa**.



Road Transportation Vehicle Business



Energy, Chemical and Liquid food equipment Business

- In 2019, the clean energy segment will adopt the development strategy of “positioning itself in China, developing overseas and extending the full business chain” .
- capture new market opportunities in developing unconventional gas equipment and floating LNG applications.
- **The liquid food segment will focus on global expansion to further strengthen the competitive edge in beer equipment business.**





Offshore Engineering Business

- In 2019, the Group will continue to accelerate the **transformation and expansion of its offshore engineering business** as well as establishing a business structure that can restrain product volatility.
- will focus on **breakthroughs in seven market directions**, and expanding traditional offshore engineering FPSO and module business, as well as vigorously developing clean energy businesses, such as LNG, power barge/FSRU and wind power boat businesses, along with other emerging businesses including offshore fishing and deep-sea tourism.



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



Logistics Services



Heavy Truck Business

- In 2019, C&C Trucks will fine-tune its management policy as “**market orientation, risk prevention, scale priority and quality growth**” .
- will be committed to increasing product sales, conscientiously increasing production economies of scale.
- create a benign partnership, and promote its performance to grow along with partners.
- construction of marketing channels and ability improvement, collection and control of accounts receivable and so on.





Overall Operation Targets and Initiatives for Main Business Segments

Airport Facilities Equipment Business

- In 2019, CIMC will put more efforts on the **two main lines of automation and urbanisation**, by focusing on developing the fire and rescue business and **further diversifying the application scenarios** of the automated logistics business.
- the Group will further **build a comprehensive human resource system**, improve team' s professional level and keep strengthening its risk control capability.



- In 2019, the industrial city development business will actively **promote the implementation of major projects and various tasks** of the Group in Shenzhen, Shanghai and other first-tier cities through the adjustment of the strategic organizational structure and development strategies.
- will actively **seek for first-tier cities with promising prospects or push forward asset-light projects in the vicinity of first-tier cities. prioritizing both light and heavy**
- further realizing the strategic policy of " " .

Industrial City Development Business

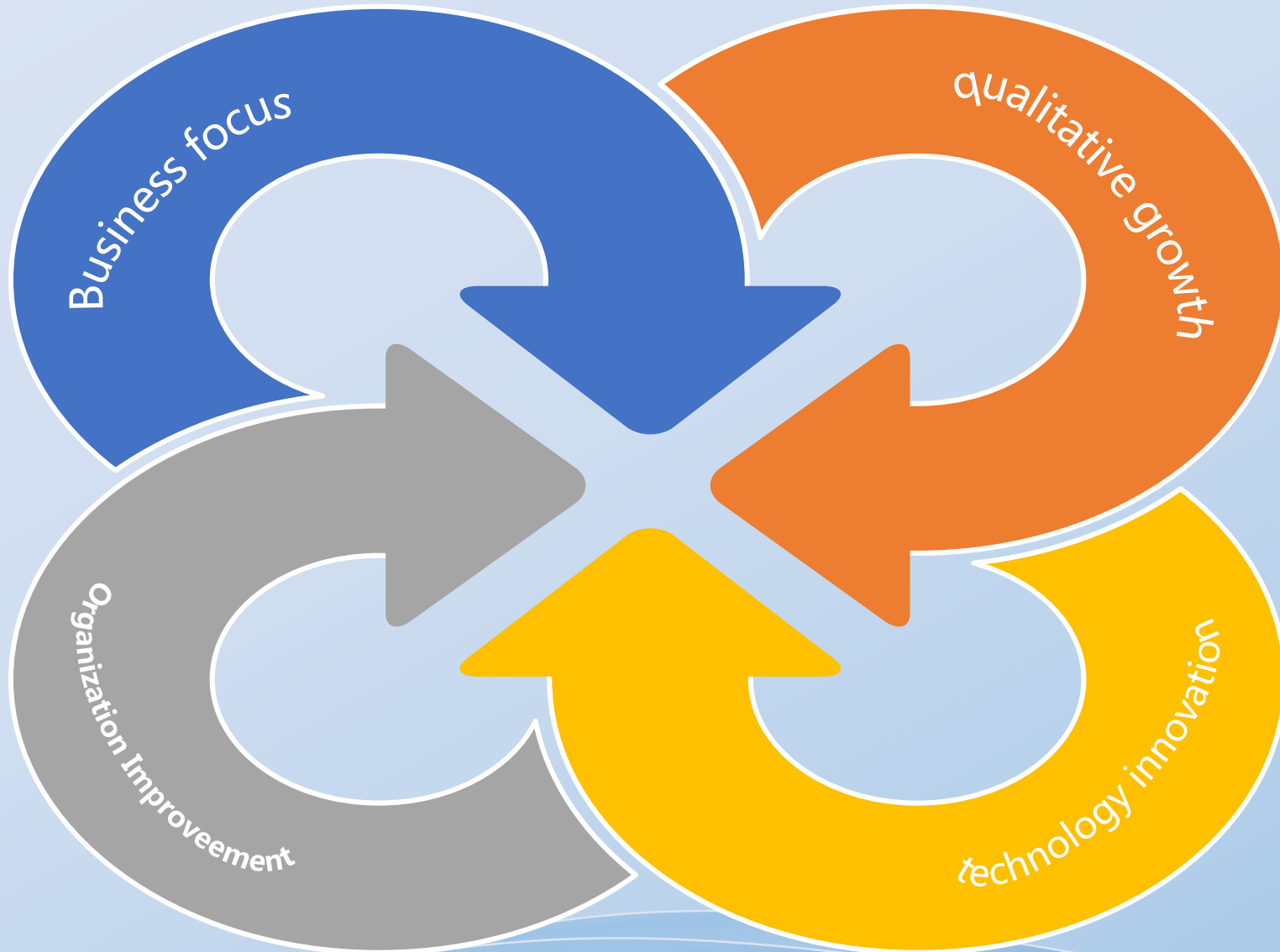


Financial Business

- In 2019, CIMC Financial Leasing Company will continue to adhere to the two-wheel drive, to optimize the overall risk management system, gradually build a diversified financing system and financing capacities .
- centering on the operating philosophy of "providing quality services, keeping bottom line, optimisation and improvement, achieving quality growth" .
- boost industrial development and provide financial support for the development of various industries of the Group.



■ ■ Key Measures in 2019



CIMC

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