



CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) LTD.

CIMC Annual Results of FY2017

Stock Code : 000039.SZ / 2039.HK



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

SHENZHEN·CHINA

Disclaimer

This document has been prepared by China International Marine Containers (Group) Co., Ltd. (the “Company”) and is solely for use at the presentation only. Copying, reproduction or redistribution of this document to any person is strictly prohibited. The information contained in this document has not been independently verified. No representation or warranty express or implied is made as to, and no reliance shall be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The purpose of this document is not for a complete or full analysis of any financial or trading position or prospect of the Company, and any person who will be in possession of this document shall be aware that no reliance shall be placed on any content contained herein for whatever purpose. The information and opinions contained in this document are subject to change without notice, nor will the document be updated to reflect any developments which may occur after the date of this document. The Company or any of its subsidiaries affiliates, advisors or their respective representatives shall not have any liability whatsoever (direct or indirect, in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

This document contains forward-looking statements that are subject to assumptions, risks and uncertainties. These forward- looking statements are generally expressed in forward-looking expressions, such as expectations, estimation, planning, projections, goals, possibilities, probabilities or so on to reflect the actions that the Company expect to or may take in the future or the results from these actions. You should not place any reliance on these forward-looking statements. Actual results may differ from these forward-looking statements.

This document is not intended to constitute an offer to, or a solicitation for offer to, sell, purchase or subscribe for any securities or to hold any securities nor shall it or any part of it form the basis of or being relied on in connection with any contract or commitment whatsoever. In particular, no person shall use or reproduce this document or any content herein in connection with any offering of securities or solicitation or invitation to invest in or hold any securities.

NO SECURITIES OF THE COMPANY MAY BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE US SECURITIES ACT OF 1933 (“SECURITIES ACT”), OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES. BY ACCEPTING THIS DOCUMENT, YOU ARE AGREEING TO MAINTAIN ABSOLUTE CONFIDENTIALITY REGARDING THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PART OF THIS DOCUMENT MAY BE DISTRIBUTED, REPRODUCED, TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA, EUROPEAN ECONOMIC AREA, FRANCE, IRELAND, ITALY, JAPAN, THE PEOPLE’S REPUBLIC OF CHINA, SINGAPORE, SWITZERLAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM OR THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS). ANY FAILURE TO COMPLY WITH THE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE RELEVANT SECURITIES LAWS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. THIS PRESENTATION MATERIAL DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF THE SECURITIES ACT.



CIMC 中集

Annual Results of FY2017

Key Business
Highlights

Business
Review

Financial
Reflects

Future
Outlook

Key Business Highlights

Enterprise Vision

Enterprise Mission

Strategic Themes

Strategic Prospect Positioning

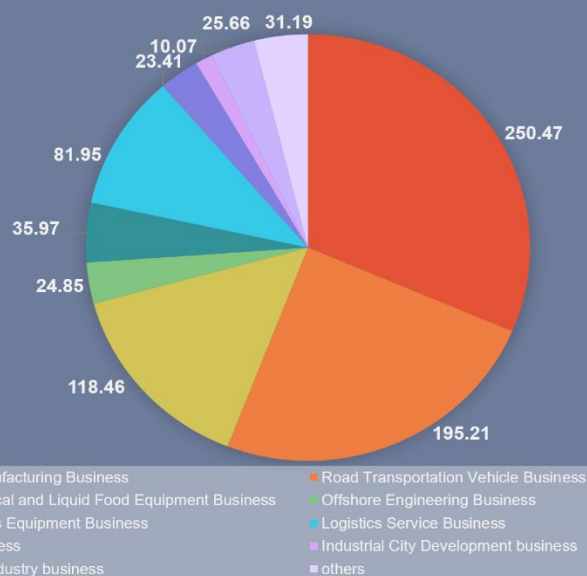
To be a respected global leading enterprise in the industry

Providing high quality and reliable equipment and services for the logistics and energy industry, providing good returns for shareholders and employees and creating a sustainable value for the society

Deepening reform, driving innovation, seeking steady progress and increasing quality

“Manufacturing + Service + Finance”

Revenue-Sectors (100 million Yuan)



- **Operating Performance**

In 2017, Group's revenue amounted to RMB76.3 billion, representing a year-on-year increase of 49.28%.

- **Business development**

The main industries stepped into a cyclical rising channel; the overall performance of business became more balanced.

The Group persisted its strategic positioning of "Manufacturing + Service + Finance", formed the industrial pattern across the two fields of logistics and energy, established the leading position in the industry and good prospects for the development of the main business sectors, explored and layout the emerging industries that made advantages of Group, and organized a core professional management team to undertake strategic management of each sectors and business operation.

- **Industrial upgrading**

The Group Responded to the national strategy of "Made in China of 2050", actively promoted the upgrade of technology and promoted the digital transformation.

- **Financing**

The Group Strengthen external cooperation and promoted restructuration of major business ;

- **Management revolution**

The Group responded to the national "innovation and entrepreneurship" call, launched the "Shuangchuang" plan, and actively explored new business and new mode; continued to promote the 5-stratified-management-system on strategic guidance, independent operation, and vitality motivation.

- **Corporate governance and social responsibility**

In accordance with relevant laws and regulations and requirements, the Group continued to establish and improve risk management system, improved governance system and standardize company operation. Meanwhile, the Group Continued to be responsible for social responsibility, such as investing in the water-based paint engineering upgrade in container production and contributing to the improvement of the environment.

- **Dividend distribution**

The Board recommends a dividend of RMB 0.27 per share (including tax) per share at the end of 2017, The dividend day is expected to be around July 20, 2018.

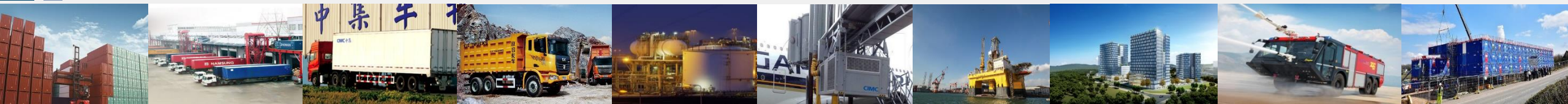
- **Future outlook**

The Group's sectors will continue to grow as the growth in 2017; the trade friction between China and the United States has a limited impact on us;

The Group will persist the "strategic positioning of "Manufacturing + Service + Finance", unswervingly promote business transformation and upgrade, insist on "people-oriented, joint career" cultural ideas, adhere to China manufacturing, maintain a strong sense of crisis, achieve "quality growth" by power of the all staff, and increase shareholder's value.

Key Business Highlights

Review of Principal Businesses of CIMC



■ **The Group**——Persist the strategic positioning of “Manufacturing + Service + Finance”;

- Container Manufacturing Business——Environmental transformation and upgrade;
- Road Transportation Vehicle Business——Promoting transformation and upgrading with technology, and improving its global business plan;
- Energy, Chemical and Liquid Food Equipment Business——Insist on the strategy of building natural gas, marine & terrestrial equipment and engineering industry chain;
- Offshore Engineering Business—— “Combustible ice” + “Extending into relevant diversified businesses” ;
- Logistics Service Business—— “Equipment changes logistics” , Entered into the Strategic Cooperation with S.F. Express Co., Ltd., made a breakthrough in Multimodal transport;
- Heavy Truck Business——Experienced exponential growth;
- Airport Facilities Equipment Business——Actively expanding intelligent manufacturing, automation, and carrying out resource integration.

	Increase / decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	49.28%	763.00	511.11
Net profit attributable to shareholders and other equity holders of the Company (100 million Yuan)	364.97%	25.09	5.40
Gross profit margin (%)	-0.48%	18.36%	18.84%
Return on equity (ROE)	6%	8%	2%
Basic earnings per share (EPS) (Yuan)	478.57%	0.81	0.14



CIMC 中集

Annual Results of FY2017

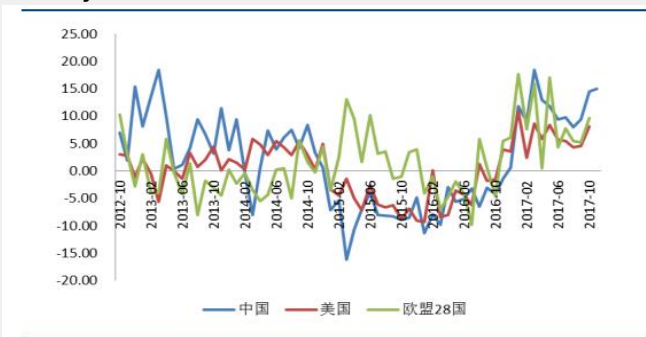
**Key Business
Highlights**

**Business
Review**

**Financial
Reflects**

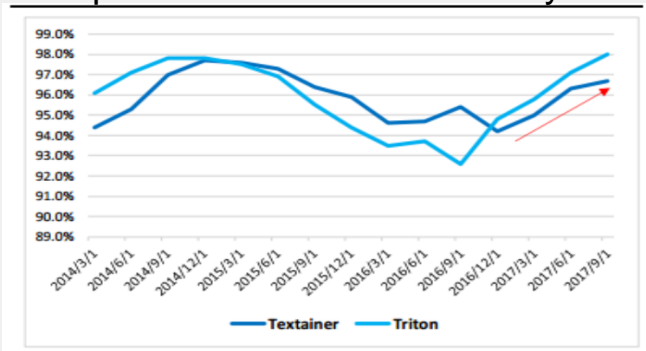
**Future
Outlook**

The import and export trade of global major economies continues to rise.



资料来源: Wind, 东兴证券研究所

The rental rate of main leasing companies in 2017 risen steadily.

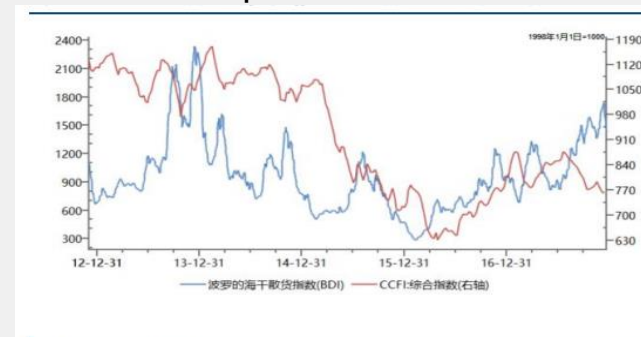


数据来源: 公司公告, 东北证券

The economy and industry are warming up. Manufacturing Business has recovered sharply.

- From The United Nations' report, the global economic growth rate reached 3% in 2017.
- In In 2017, the recovery of the global trade and economic will lead to the gradual recovery of container trade.
- In 2017, the global container trade was 191 million TEU, which up to 5.02% from 2016.
- After exploring the bottom in February 2016, the BDI index has maintained an overall upward trend, reaching a high of 1,743 on December 12, 2017.
- The scale of global capacity has been expanded, the vacancy rate of ships has decreased, and the demand for new containers has rebounded.
- The rental rate of the leasing company increased, and the inventory decreased, ; The demand recovery of the leasing company was obvious.

The BDI index and container freight index overall trend upward.



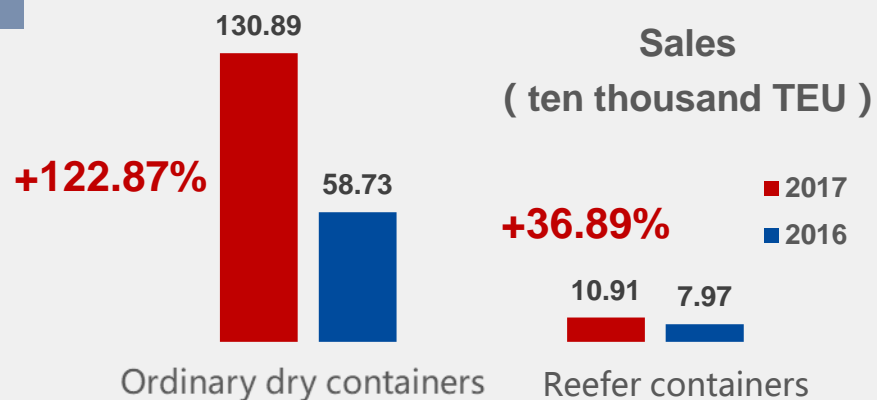
资料来源: Wind, 东兴证券研究所

Spare capacity ratio in 2017 presents a downward trend.

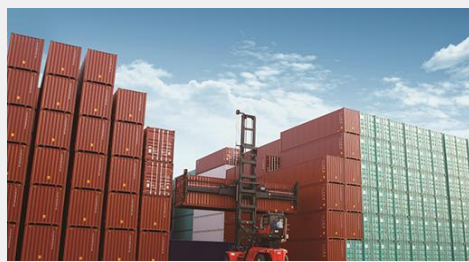


数据来源: Alphaliner, Clarkson, 东北证券

Business Review Container Manufacturing Business of CIMC



Industry Recovering



	Increase / decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	126.32%	250.47	110.67
Ordinary dry containers	211.33%	177.19	56.91
Reefer containers	46.46%	32.74	22.36
Special reefer containers	35.30%	48.08	35.53
Net profit (100 million Yuan)	302.52%	14.63	3.63

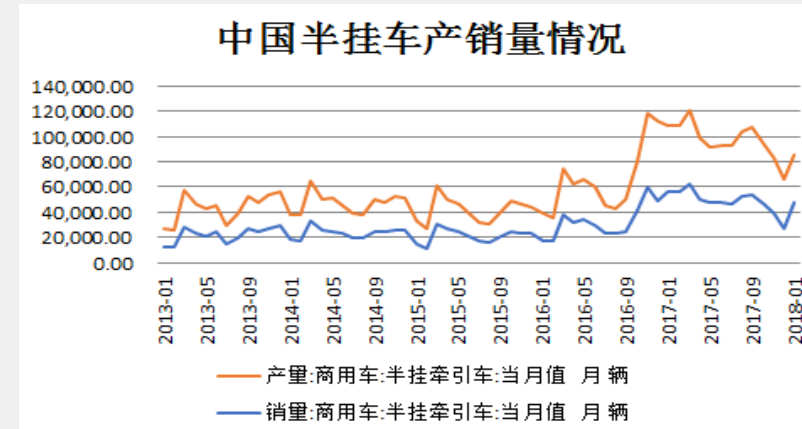
- In 2017, Customers generally increased their procurement of new containers;
- Most of the plants in the domestic container manufacturing industry had upgraded their production lines to using water-based paint in the first half of 2017;
- Prices for raw materials such as steel have started to increase since the second quarter of this year, caused new container prices to stably maintain at a high level;
- The Group's container manufacturing business had a significant year-on-year increase in the number of orders. Meanwhile, revenue and net profit have both shown significant growth.

Strict GB1589 Policy + Increasing investment in infrastructure increasing demand of industry increasing

GB1589 Standard

	2014 版执法标准	2016 版执法标准	
超限标准	高度	无	4 米
	宽度	无	2.55 米
	长度	无	18.1 米
超重标准	二轴车辆	20 吨	18 吨
	三轴车辆	30 吨	25 吨
	四轴车辆	40 吨	31 吨
	五轴车辆	50 吨	43 吨
	六轴及以上	55 吨	49 吨

数据来源：工信部，东北证券



- The market demand of US for semi-trailers fell slightly. The European market economy gradually recovered, but the overall demand declined due to the effect of leaving European union. The emerging market benefited from the global financial environment and the economic recovery. The Southeast Asian market has grown steadily, and some local region is unstable;
- The Ministry of transport and other fourteen departments issued 《Plan to promote the healthy and stable development of the road freight industry (2017-2020) 》, which required strengthening the technical management of urban distribution vehicles, and encouraging local innovation policies and measures to promote standardized, wagons, lightweight, clean energy freight vehicles;
- In December 27, 2017, the Ministry of Finance and other four ministries and commissions issued: 2018-2020 years, new energy vehicles are free from purchase tax.

Business Review Road Transportation Vehicle Business of CIMC



	Increase / decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	32.84%	195.21	146.95
Net profit (100 million Yuan)	32.78%	10.18	7.67
Sales volume (ten thousand units)	32.41%	16.30	12.31



Continuous introducing strategic investors

Improving its global business plan

Optimizing existing business and seizing business growth opportunities

Transformation and upgrade with technology improvement

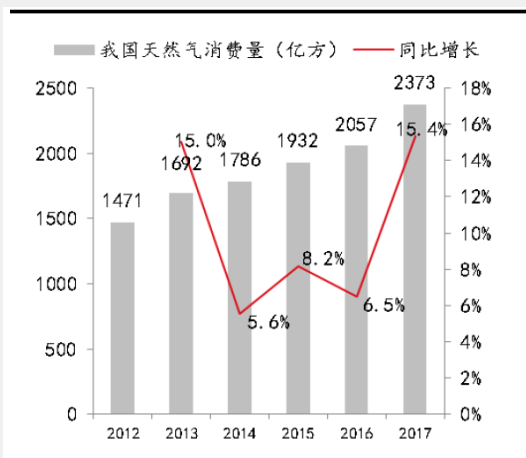
Domestic market

Overseas market

- Benefited from the extended impacts of the implementation of the GB1589 policy promulgated by the central government in 2016, road transportation vehicle products were strong in demand.
- More domestic infrastructure projects have commenced construction, which boosted the growth of demand for urban muck trucks.
- Through “consolidate market position of skeletal trailers” and “expand business of lightweight flatbed stake trucks,” CIMC Vehicle (Group) recorded semi-trailer sales of 66,000 units domestically. Sales and profits increased significantly with a general recovery for building type products. Primary truck types have recorded rapid growth.

- North American market: through the application of the demonstrative advanced manufacturing and digital manufacturing technology adopted in the Dongguan plant, steady profits were realized.
- Emerging market: through seizing the opportunities arising from the building product booming in Vietnam, emerging markets recorded a rebound in results.
- Australian market: MLI focused on the primary business of tank trucks after the reorganization and recorded a drastic reduction of losses from the previous year in the Australian market.
- European market: continued to maintain steady business development. Core products achieved a successful transformation, thus strengthening profitability.

Natural gas consumption and growth rate



资料来源: 发改委, 方正证券研究所整理

In 2017, gas consumption increased 15.3%. It is expecting a continue increasement in the future.

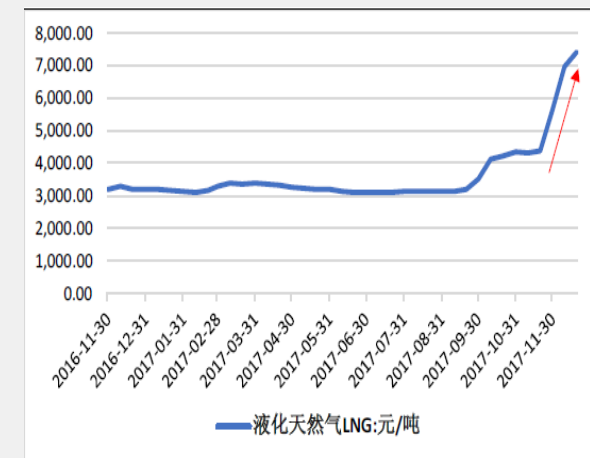
The supply shortage restricts the incremental space and the LNG import will accelerate. Demand of natural gas' supply, storage and transportation equipment will increase.

Main indicators of "13th Five-Year" Plan for the development of natural gas industry

	2015年	2020年	年均增速
天然气占一次能源消费比例 (%)	5.9	8.3-10	—
气化人口 (亿人)	3.3	4.7	10.3%
城镇人口天然气气化率 (%)	42.8	57%	—
地下储气库工作气量 (亿立方米)	55	148	21.9%

数据来源: 发改委, 东北证券

The price of LNG is rising



数据来源: Wind, 东北证券

- In recent years, the global gas market has grown steadily and Asia has consumed nearly 70 percent of the world's LNG, with China accounting for 40 percent of global gas demand increasing.

- The policy is vigorously promoted: in the "13th Five-Year" Plan for Energy Development released by the national energy administration in 2016, it is pointed out that the target consumption of natural gas will become 10% of energy consumption in 2020.

- The NDRC issued the latest gas operation profile: in 2017, the output of natural gas was 148.7 billion 700 million cubic meters, increasing 8.5% over the same period last year. The import volume of natural gas was 92 billion cubic meters, an increase of 27.6% compared with the same period last year. The consumption of natural gas was 237.3 billion cubic meters, increasing 15.3% over the same period last year.

- After entering the heating season, there was a short time "gas shortage" in some areas. The main reason is that the growth rate of self produced gas sources is limited. If the supply is sufficient, the increment of consumption will be higher than the current level.

Business Review

Energy, Chemical and Liquid Food Equipment Business of CIMC

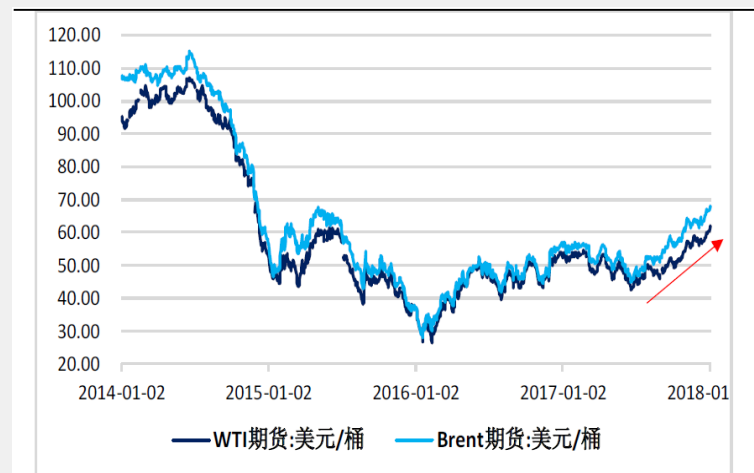


	Increase / decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	26.65%	118.46	93.54
Energy equipment	53.01%	49.59	32.41
Chemical	22.41%	30.26	24.72
Liquid food equipment	19.11%	26.86	22.55
Net profit (100 million Yuan)	153.02%	4.74	-8.93

■ **Energy equipment segment** : The global natural gas, especially the LNG industry, has recovering. The Chinese government has accelerated the promotion of natural gas as a modern clean main energy, and opening the “coal to gas” project in large-scale. Moreover, with increasingly stringent environmental policies and other favorable factors, the demand of CIMC Eric LNG vehicle and other equipment substantially increased. Meanwhile, In August 15, 2017, CIMC Eric completed the entire equity acquisition of SOE, which implement the strategic layout of “marine & terrestrial integrated ”on natural gas purification, liquefaction, storage and transportation equipment value chain.

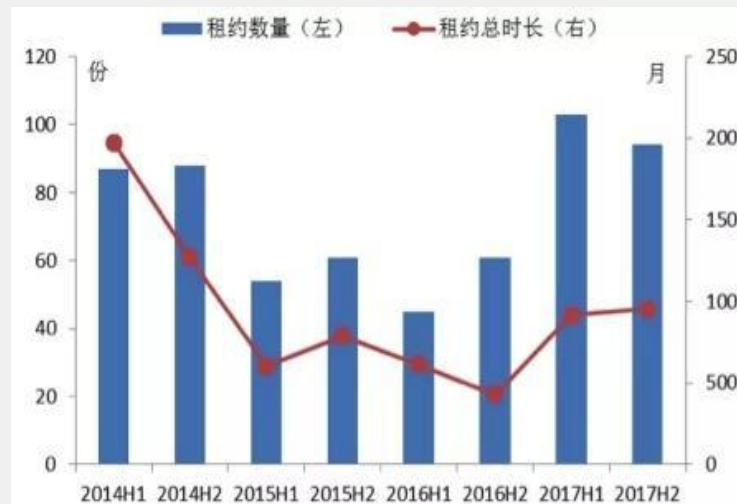
- **Chemical equipment segment** : In 2017, the output of some special tank increased nearly 50% compared to the same period last year. Due to the repeal of the US anti-dumping policy on Refrigerants in 2017 and the more stringent environmental regulation in China to eliminate backward and excess capacity, the demand for gas tanks in special tank increased significantly, and production increased substantially in 2017 .
- **Liquid food equipment business segment** : It has expanded its capacity in China and its market network in Asia to facilitate its implementation of the global market such as Southeast Asia.

International crude oil futures prices

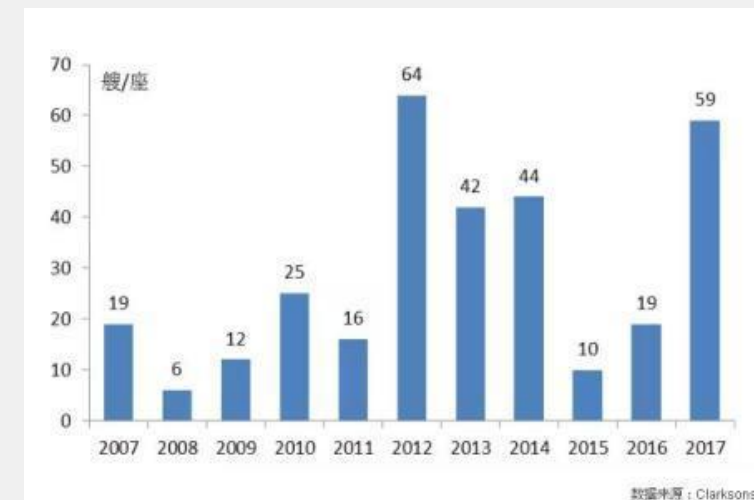


数据来源: Wind, 东北证券

New lease trend of drilling platform since 2014



Second-hand transactions and resale transactions of global drilling platforms in last decade



数据来源: Clarksons

- The industry is affected by the fall of oil price in 2016-2017, and the market enters into "winter".
- At the end of 2016, the offshore oil and gas investment has **reached the bottom**. In 2017, the offshore oil and gas investment has gradually recovered and the international oil price has bottomed out.

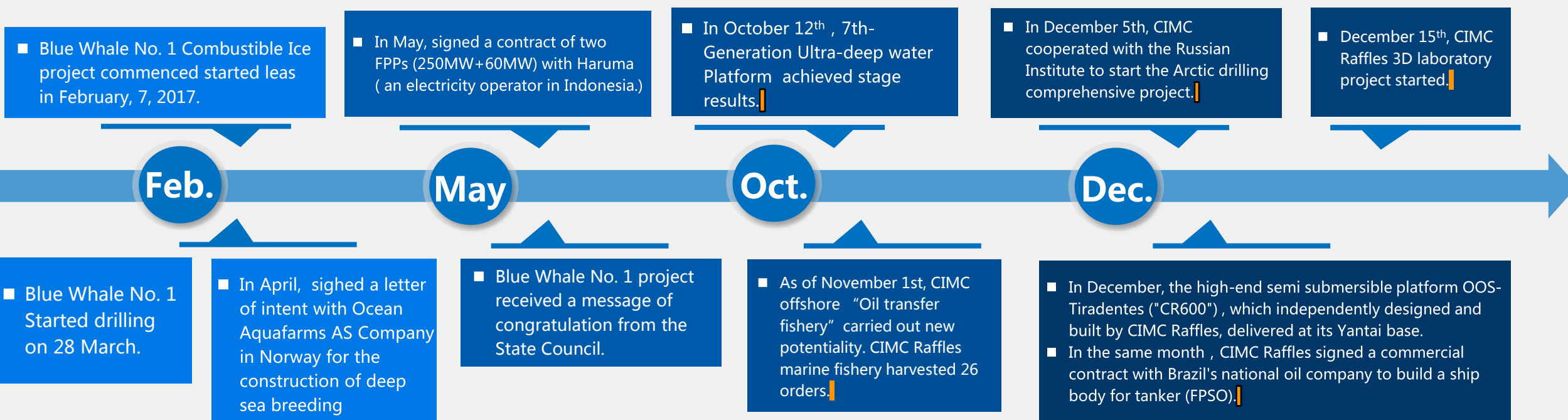
- In 2017, the mining activities of offshore oil and gas exploration have increased, which directly leads to the growth of new lease demand of marine equipment.
- In 2017, the number of new lease in the global drilling platform doubled the new lease level in the past two years.
- For the total time of the global drilling platform leasing, there was a significant increase in 2017 compared with the previous two years.

- In 2017, second-hand transaction and resale market are highly active;
- According to statistics, in 2017 the global platform of second-hand and resale transaction reached the ship volume of 59, which is far more than the number in 2015 and 2016, and also exceeded the 44 ships in 2014. This achievement in 2017 almost reached the same level of the global offshore market' s peak in 2012.

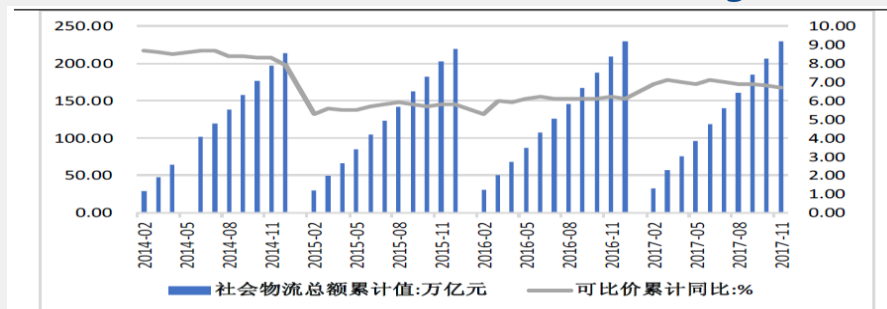
Business Review Offshore Engineering business of CIMC

■ Faced to the severe environment in the international offshore engineering market and in order to mitigate the fluctuation risk caused by the demand of offshore engineering products from the oil and gas industry, CIMC Offshore Engineering extending its business horizontally and vertically in the offshore engineering equipment sector. For sectors already engaged, CIMC Offshore Engineering added in products such as FLNG, FSRU, disassembly platform, luxury cruise ship, offshore complex and recreational fishing platform. It will also expand its business to the electrical equipment industry and the new energy industry.

	Increase / decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	-42.28%	24.85	43.06
Net profit (100 million Yuan)	-387.79%	-10.39	-2.13



2014-2017 total amount of social logistics



数据来源: Wind, 东北证券



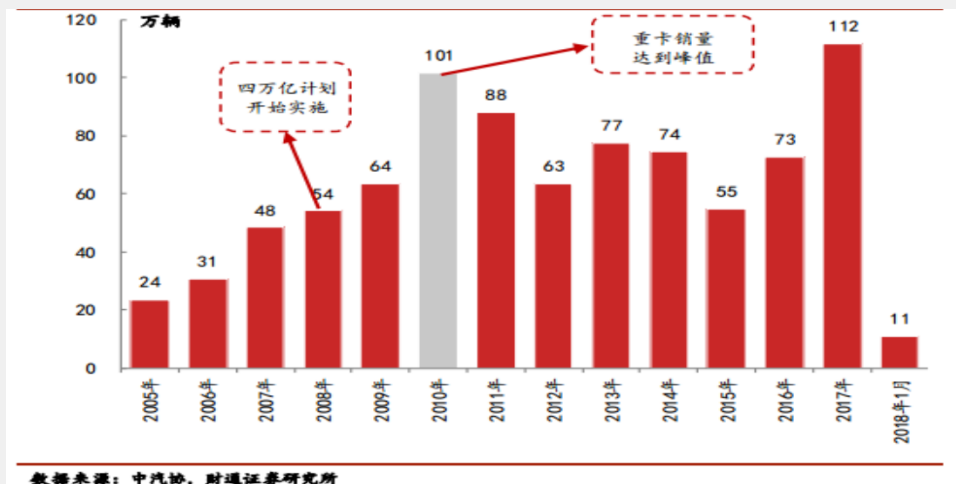
- **Container service business line:** formulated development strategy for three major products namely container yard, railway station service and selling and leasing of containers;
- **Marine transport and project logistics business line:** focused on market development opportunities in nations along the belt under the “Belt and Road” Initiative and actively sought international logistics cooperation ;
- **Rail-water transport business line :** began the initial construction of the “three horizontal, one vertical” logistics trunk network, continued improving the multimodal transport service system and enhanced the service capability of integrated logistics.
- **Equipment logistics business line :** with the belief that “equipment changes logistics” , clearly defined three major businesses, namely equipment R&D and manufacturing, equipment lease operation and equipment logistics services.
- In September 13th, CIMC signed the “Strategic Cooperation Framework Agreement” with S.F. Express. The Group sold 78.236% shares of the CIMC E-Commerce & Logistics Technology Co., Ltd.

Industry moderating growth

Business transform and upgrade , grow with quality

	Increase / decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	14.95%	81.95	71.29
Net profit (100 million Yuan)	-75.95%	0.86	3.59

2005-2017 heavy trunk industry sales



- After the GB1589-2016 standard published, the influence of its and the "921" new policy still exists. Overload control policies have led to a decrease of 10%-22.5% cycling capacity of heavy trucks. More heavy trucks will be needed to meet the transport demand.
- The growing demand for environmental protection is expected to continue to drive the growth of the heavy card market. At present, DPF (diesel particulate filter) addition has gradually extended from the incremental market to the stock market. In the future, the change of vehicle replacement will drive the growth of the heavy truck market.

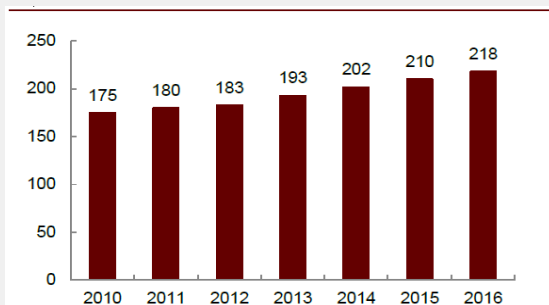
Overfulfil the sales plan Sales continue the upward trending

- In 2017, fully driven by the Ministry of Transport' s policies ("921" new policies), the domestic heavy truck industry experienced exponential growth, C&C Trucks maintaining significant sales growth for two consecutive years. In 2016, the accumulated actual number of sales was 6,028 vehicles; In 2017, the actual number of sales was 8,710 vehicles, ; The sales representing a year-on-year growth of 44.49% and the revenue representing a year-on-year growth of 48.67% in 2007;
- Domestic market : C&C Trucks refined its product offerings ; improved lightweight work of products and universalization of parts and components; C&C Trucks Continued to enhance management and service;
- International market : C&C Trucks developed a new business model, and expand five new channels.



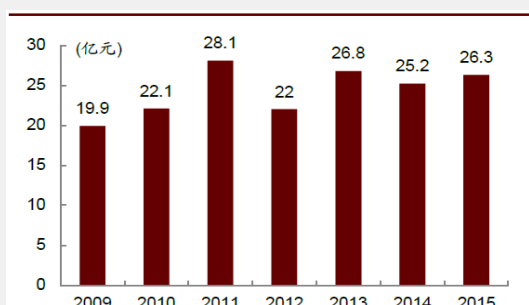
	Increase/ Decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	48.67%	25.66	17.26
Sales (units)	44.49%	8,710	6,028

2010-2016 civil aviation airports

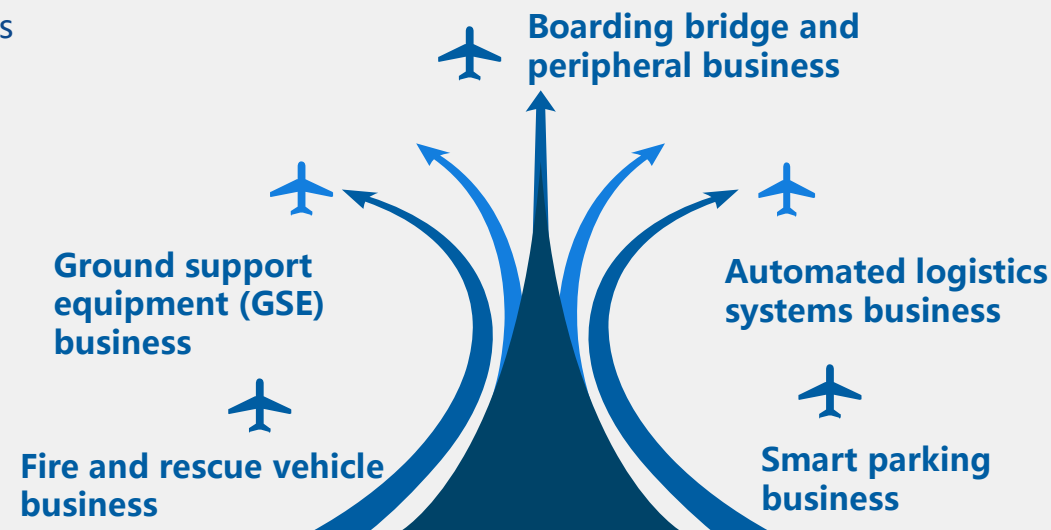


资料来源: 中国民用航空局, 中金公司研究部

2009-2015 market size of Chinese fire engines



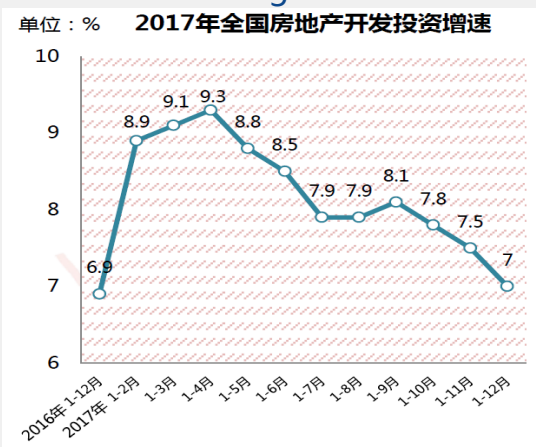
资料来源: 智研咨询, 中金公司研究部



- **Boarding bridge and peripheral business** : continued to record steady growth in its revenue and profitability; the boarding bridge business led the industry with a continued success rate of over 95% for the domestic projects for the year;
- **Ground support equipment (GSE) business** : gained further customer recognition and the business grew steadily;
- **Fire and rescue vehicle business** : strengthened service capabilities of the European market; strategic invested an Italian company, Cela Srl; strengthened technology input made by CFE and the business achieved steady growth.
- **Automated logistics systems business** : acquired Zhengzhou Jinte Logistics Automation System Co. Ltd. and gained automated sorting capabilities as well as qualification as a general contractor, therefore further enhancing its competency.
- **Smart parking business** : pilot projects for multi-stogey public parking garages has been proceeding ;
- The Group intends invest in 78.15% stock equity of Pteris into CFE. Upon completion of the transaction, the Company will indirectly hold more than 50% of the issued share capital of CFE and CFE will become a non-wholly owned subsidiary of the Company.

	Increase/ Decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	11.93%	35.97	32.13
Net profit (100 million Yuan)	11.74%	1.46	1.31

2017 real estate development investment growth rate

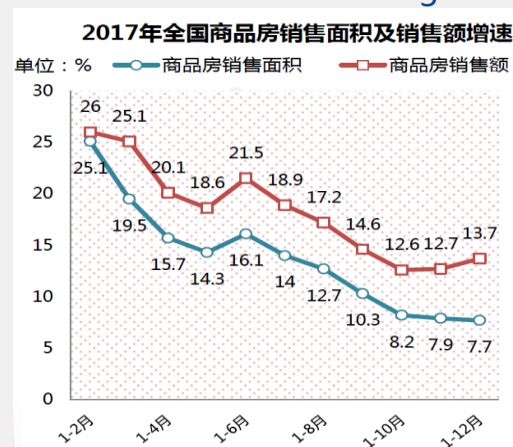


The real estate market resumed to a more rational level

Industrial city development achieved favorable progress

- Industrial city development business : The operating results were relatively stable ; The leasehold land has currently been delisted achieved by Shanghai CIMC Reefer Containers ; Specific negotiation regarding the agreements of its projects in Qianhai, Shenzhen ; Southern CIMC entered into the Land Preparation Framework Agreement;
- Industrial park development and operation business : developed and advanced steadily; The second phase of the CIMC Intelligence Valley project in Songshan Lake, Dongguan, Guangdong, has completed the investment invitation ; CIMC Database in Xinhui, Guangdong and Qingdao Reefer Incubation Park in Jiaozhou, Qingdao had been implemented;
- Traditional residential business : Adjusted the development strategy; cooperated with Country Garden Group, as the Company' s strategic partner, to improve the development productivity of the project and speed up fund return, thereby achieving apparent growth.

2017 sales area and sales growth of commercial housing



- Macro:** China 's economy continued to optimize. For the first time in seven years, the GDP growth rate stopped falling, and the overall growth was better than expected. The national real estate development investment was 11 trillion yuan, among which the residential investment increased by 9.4 percent over the previous year. At the end of 2017, the average interest rate of the country' s first suite rose to 5.38%, compared with an 0.93% increase at the end of 2016.
- Policy:** accelerate the establishment of multi-agent supply, multi-channel guarantee, rent and purchase of housing system; increase housing supply, and guide some housing demand from housing to rent; increase the policy control of restricted purchase restriction.

	Increase/ Decrease (%)	FY2017	FY2016
Operating income (100 million Yuan)	39.23%	10.07	7.23
Net profits (100 million Yuan)	25.08%	1.92	1.54
Sales area (ten thousand m ²)	71.74%	15.8	9.2



Financial deleveraging was substantially promoted

Business portfolios continuously optimized

Increase/Decrease (%)

FY2017

FY2016

Operating income (100 million Yuan)

1.66%

23.41

23.02

Net profits (100 million Yuan)

20.46%

9.92

8.24

- In 2017, the scale of social financing increased reasonably. According to the preliminary statistics, the annual increment of social financing in 2017 was 19.44 trillion, 1.63 trillion yuan more than that of the previous year, and an increase of 12% over the same period. The growth is basically in line with expectations, showing that financial support for the real economy is greater.
- The results of financial regulation are expected to be stable, and the direction of social financing structure will change: 1. After the supervision, the actual leverage ratio of banks is significantly limited, and the overall supply capacity of the banking system to social financing is decreasing. 2. The non-standard and channel business mainly focuses on the real estate, financing platform and government restrictions (more than 70%), which is the main source of social integration. In the medium and long term, after the regulation, the total demand for financing will gradually shrink, and the structural differentiation will be obvious: the interest rate of real estate and small and medium-sized financing platforms will rise, and the interest rate of the industrial sector will be stable.

- CIMC Financial Leasing Company: grasped market opportunities, and continuously strengthened the integration of industry and finance across different business segments of the Group ; Guachebang cooperated with chemanman preject and carried out the short-term rental services, which implemented the cross-industry vehicle allocation to reduce the various risks caused by changes in policy and Industry.
- CIMC Finance Company : effectively adopted different methods to saved financial costs and improved efficiency and effectiveness on the use of funds; Became a member of the commercial paper exchange; further expanded the scope of foreign enterprises for its cross-border two-way RMB capital pool and extended its services to various business segments; assisted the industry in expanding its sales through buyer' s credit business and improved market competitiveness.



Modular Building Business actively response “The Belt and Road ” strategy and complete the window project at first

- ◆ **International market:** further expanded into England, America, Australia, New Zealand, Africa and other countries and regions; signed contracts in America ; opening a wider new business layout. In the Australian and New Zealand market, CIMC achieved a breakthrough development as it obtained orders for high-rise hotel building and public safety service facilities ; actively response "The Belt and Road", Djibouti Free Trade Zone International Hotel project is the first project in Africa by CIMC;
- ◆ **Domestic market:** several important projects were realized , the Group won the bid for the hotel and office building projects in the Xiongan service center, which is the first construction project after the establishment of the Xiongan new area the this is a window project established to the whole country and the world. The steel structure integration modular building system procedures of CIMC passed final examination and have drafted the inspection standard for several domestic projects.

Multimodal Transport business Create a new thread of “ The Belt and Road ”

- ◆ In 2017, the businesses of CIMC Multimodal Transport developed rapidly and a preliminary business layout has been formed through various other modes of transportation, such as the combined development of rail-water transport;
- ◆ CIMC Multimodal Transport launched container trains for 10 different rail lines, its businesses encompassing regions in South, Central, South-west, North-west and North China. Offices have been established in various cities to penetrate the local market and improve service capabilities;
- ◆ Cargo collection and distribution system : Warehouse distribution business have been vigorously developed around the layout of its railway routes;
- ◆ Business platform : the Company launched its online platform for business operations and management during the Reporting Period, continuing to promote the practical application of the internet, IoT and other new technologies, as well as exploring other relevant internet products.



CIMC 中集

Annual Results of FY2017



**Key Business
Highlights**

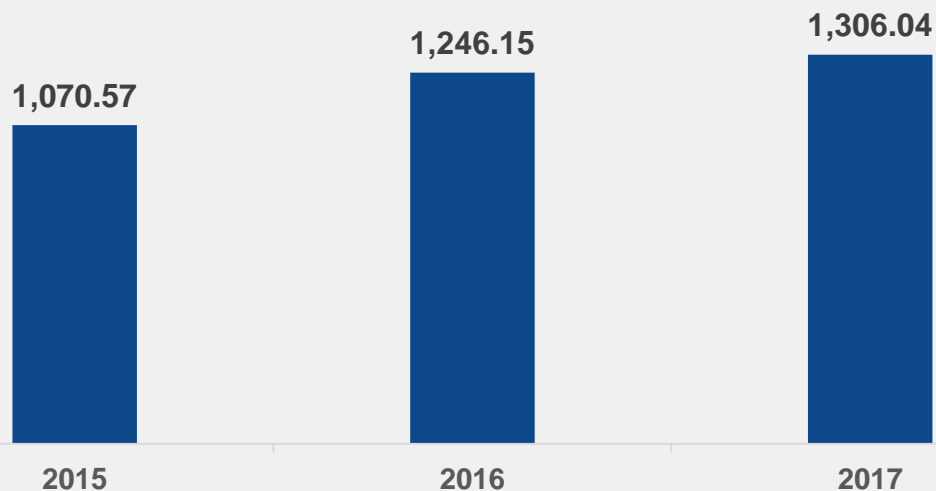
**Business
Review**

**Financial
Reflects**

**Future
Outlook**

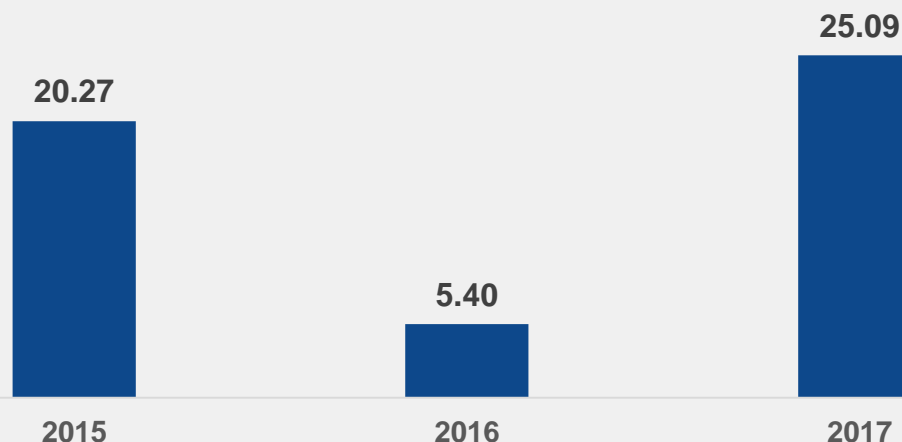
Total Assets

100 million Yuan



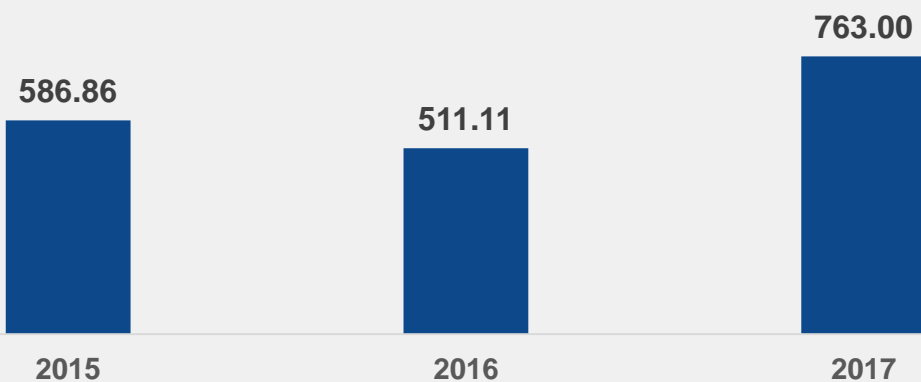
Net profit attributable to shareholders and other equity holders of the parent company

100 million Yuan



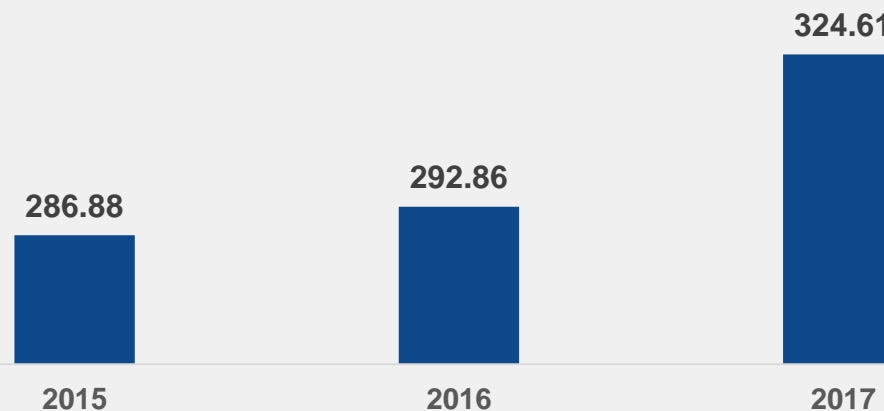
Revenue

100 million Yuan



Total equity attributable to shareholders and other equity holders of the parent company

100 million Yuan

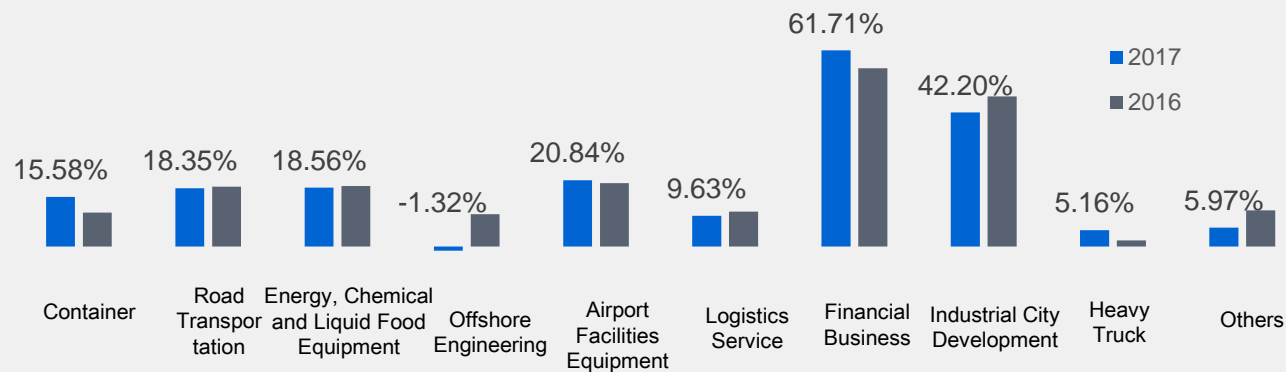


Financial Reflects

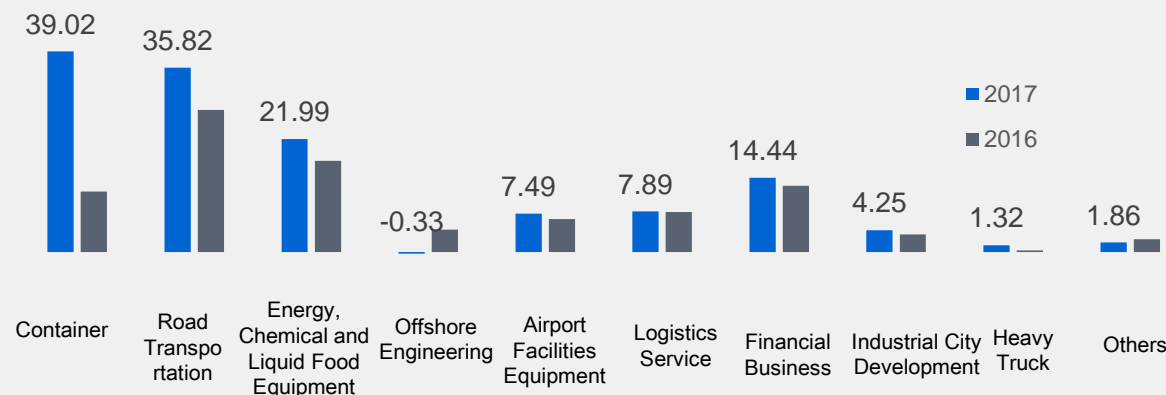
By the end of December 31th (100 million Yuan)	At the end of the Reporting Period (31 December 2017)	At the end of the previous year (31 December 2016)	Change
Total assets	1,306.04	1,246.15	4.81%
Total liabilities	873.67	854.80	2.21%
Short-term borrowings	153.17	157.30	(2.62%)
Long-term borrowings	241.40	270.23	(10.67%)
Total equity attributable to shareholders and other equity holders of the parent company	324.61	292.86	10.84%
Total shareholders' equity	432.37	391.35	10.48%
liability/asset ratio	66.89%	68.60%	(1.71%)
By the end of December 31th (100 million Yuan)	FY2017 (Jan. to Dec.)	FY2016 (Jan. to Dec.)	Change
Net cash flows from operating activities	42.75	23.42	82.58%
Net cash flows from investing activities	(15.80)	(68.55)	76.95%
Net cash flows from financing activities	(35.37)	75.11	(147.09%)

Financial Reflects

Gross profit margin of principle business

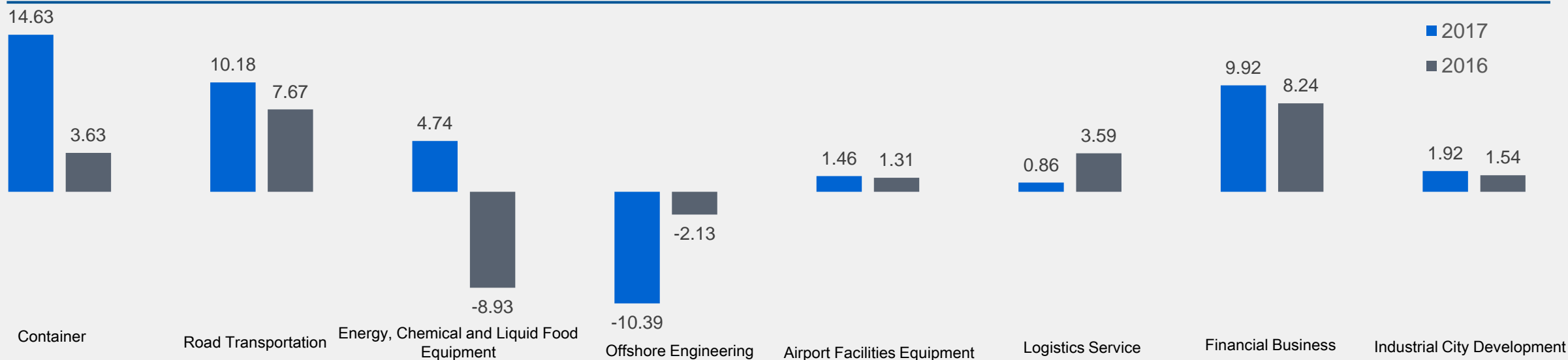


Gross profits of principle business 100 million Yuan



Net profits of principle business

100 million Yuan





CIMC 中集

Annual Results of FY2017

**Key Business
Highlights**

**Business
Review**

**Financial
Reflects**

**Future
Outlook**

Container Manufacturing Business

According to the latest prediction made by CLARKSON, the growth of global container trade could reach 5.0% in 2017 and would continue to grow at this rate in 2018. The capacity growth rate will be 3.6% and 4.0% in 2017 and 2018. The oversupply of shipping capacity will continue to be relieved, and increasing growth in trade will lead to greater market demand for container. Therefore, it is predicted that the demand for containers in 2018 will remain at a favorable level.

The Group will carry out innovative upgrade, structure adjustment and connotative optimization in order to reshape the Group's core competitiveness in the container manufacturing business; The Group will grasp the opportunity of market volatility by strengthening the linkage of production and marketing; The group will further accelerate the upgrading and improvement of production lines for containers by intelligent manufacture upgrading projects; Commence the construction of the segment joint finance center and joint procurement center to enhance its business management skills; The Group will quicken its pace of land commercialization, and actively explore and develop business areas.



Road Transportation Vehicle Business

In 2018, it is expected that the overall economy of the United States will be buoyant while the semi-trailer industry in the United States will remain the same or decrease moderately as in 2017. Market growth is also expected to recover with the European economy recovering. The emerging market is expected to improve. Growth slowdown of China's macro-economy coupled with gradual alleviation on the implementation of regulating policy measures for road transportation (including serious over-speeding, passenger overload and traffic overload), it is expected that future demand will rebound and develop at a sound and steady pace.

The Group will continue to stabilize existing businesses, put more efforts on exploring business growth ; In domestic market, the Group will seek for developing new profit growth by capturing opportunities brought by skeleton trucks and staked-side trailers hot events of niche markets; In North American market, the Group will optimizing production cost and solidify its Profitability; In emerging markets, actively respond to the opportunities arising from seizing niche markets and niche products.



Energy, Chemical and Liquid food equipment Business

In 2018, China's natural gas demand is expected to increase by about 14 billion 500 million m³ with economic growth. "Coal to gas" will continue to promote in 2018, bringing about 3 billion new demand. The total demand for natural gas consumption in China is expected to increase by 32 billion m³ in 2018, with a year-on-year increase of about 13.5%. If actual demand exceeds supply capacity in 2018, supply will also be a limiting factor for demand growth, which will bring a stable demand for natural gas storage and transportation equipment.

CIMC Enric will put more efforts on expanding the market shares of its core products in China and explore research and development projects in the new energy sector; develop the whole industry chain of natural gas; CIMC Enric will strive to continue its research and development of different special tank containers, Build a new mode of IoT in tank to help customers explore digital operation, and Improve operational efficiency; liquid food equipment business sector will Expand the global market and non beer food equipment and engineering business from the dual dimension of the vertical beer industry chain and the horizontal liquid food business.



Offshore Engineering Business

In 2018, it is expected that fossil fuel will remain as main energy sources, and natural gas is the most potential variety of growth. Although the Brent crude oil price reached almost USD70 per barrel at the end of 2017, global oil and gas development investment slowly rebounded. Growth in demand for offshore engineering equipment fluctuates cyclically, and as offshore oil and gas investments accelerate, orders for offshore engineering equipment began to rebound in 2017, therefore it is expected that niche markets (such as FLNG, environmentally friendly mega deep water floating production storage unit (FPSO) and FSRU) will be driven by new growth momentums in the future.

The Group will seize the opportunity from the market warming up by revising and optimizing market business approaches and directions; with the offshore engineering business transformation and upgrade, build a streamlined lean supply chain to improve its core competitiveness; build an internal management system based in its operation areas and a project management model suitable for corporate structure to improve the streamlining productivity; continue to seek strategic partners, and form the complementary advantages.



Logistics Services Business

In 2018, the country will effectively integrating various resources and establish with the support from big data, network sharing and smart collaborations. Logistics enterprises will face the needs of upgrading manufacturing industry. Multimodal transport and other advanced transport modes will continue to be developed. Further focus will be placed on the professionalization and standardization of transport equipment as well as the continuous application of open containers, box-type semi-trailers and other standardized transport vehicles.

The Group will continuously develop four existing business lines including container service, marine transport and project logistics, rail-water transport and equipment logistics; the Group will seek cooperation in automobile, food, cold chain, import and other specific industries; the Group will build a core digital operating platform, and add financial means such as leasing and financial leasing; The Group will put greater efforts on building a unified corporate culture and facilitate a clear market brand and reputation; The Group will continue to promote lean management and HSE management.



Heavy Truck Business

In 2018, the macroeconomy is expected to be stable. In niche markets, there is increasing demand for express delivery and transportation, car carriers, cold chain and waste trunk, while demand is expected to fall drastically in the coal market, and rebound for hazardous chemicals, waste soil from urban soil construction, highway dump trucks, general less-than load shipping, spare and miscellaneous parts markets. There will be increasing demand in the road transportation market as well as express delivery, less-than truckload and full truckload shipping market. It is expected that the market will orient towards high efficiency, networking and integration, while new standardization requirements are expected to trigger demand from European markets, and demand for tractors, central-axle vehicles will increase significantly due to overload regulations.

The Group will enhance the proportion of LNG heavy trunk, develop new energy heavy trunk research and introduce strategic investors. The Group will secure financial resources, focus on the market with clear targets, create flagship products, aim to raise the response efficiency of its terminal service to boost sales, seek to enhance its turnover efficiency of current assets, build a fast-response mechanism and a talent pool, realize operating targets through core SBU models.



Airport Facilities Equipment Business

In 2018, the global airport business will grow steadily ; Fire and rescue equipment will be more valuable; logistics business will be accompanied by the rapid development of the E-commerce industry; the garage industry has already obtained the national qualification; in 2018, multi-stoey public parking Garages are more likely to get order, so as to achieve the first implement.

The Group's airport business will focus its advantages and resources and integrate the existing airport business; The Group will further introduce foreign quality skills and facilities into the domestic to improve the comprehensive competitiveness; the automatic logistics business will strengthen manufacturing levels; the intelligent parking business will further accelerate the implementation of the multi-storey parking complex; the Group will further expand the products and markets of the fire and rescue vehicle business; Moreover, The Group will also expand our market presence on the basis of acquisition and integration with an optimized business model to better adapt to future changes and developments.



Industrial City Development Business

In 2018, the domestic macro-economy is expected to stabilize, and trading in the future real estate market will continue to be impacted by tightening of liquidity in the financial market; It is expected that tightening policies in key cities will continue to affect market situations in third and fourth-tier cities. Further segmentation of residential leasing policies as well as property purchase; with the comprehensive tightening of real estate investment capital and strengthened regulations on housing finance, it is expected that a new era in which both the property market and rental market are active is emerging; and implementation of long-term property policies will be accelerated.

Combining its own advantages and resources as well as development strategies, the Group will focus on revitalizing its land resources in first tier cities, such as Shenzhen and Shanghai; through replication of the industrial park model, it will actively seek industrial park projects; the Group will focus on promoting plans in industrial property development and recruitment and operating service capabilities for the Group to establish a business model for industrial property development.



Financial Business

In 2018 , it is expected that domestic capital will still continue to tighten and market rates will still continue to rise, posing challenges of increasing finance costs for the domestic finance leasing industry. Finance leasing industry participate in the real economy, adopt different development approaches, and improve development quality and steadily achieve such developments with an aim to standardize, professionalize and differentiate. Policies will be steered by the guidelines of "the financial sector to serve the real economy" and "tighter, more-centralized financial regulatory powers", and strong regulation will be furthered, which will lead to tighter requirements for financial company to operate.

The Group will comply with the nation's policies, capture the developing opportunities in niche markets, further optimize business distribution, continue to strengthen its risk prevention and control measures, and adhere to sound and prudent risk control strategies; The Group will expand external financing channels including asset securitization and others, further expand and innovate in term of efficiency, ability, means, and organization, create value for customers, and realize rapid growth of the whole company. |



CIMC 中集

Q & A



CIMC 中集

Thank You !

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

