

Stock Exchange

CIMC Vehicles (Group) Co., Ltd.

中集車輛(集團)股份有限公司

(Stock Code: 1839)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2019

FINANCIAL HIGHLIGHTS

Board
Company
Group
Reporting
Period
corresponding period of 2018

CONDENSED CONSOLIDATED INCOME STATEMENT

	Six months ended June 30, 2019	
	<i>RMB'000</i>	
	(Unaudited)	
	12,605,058	
	(11,010,113)	
Gross profit	1,594,945	
	(269,378)	
	(605,325)	
	2,964	
	110,116	
	142,941	
Operating profit	976,263	
	41,440	
	(61,045)	
	(19,605)	
	5,381	
Profit before income tax	962,039	
	(134,514)	
Profit for the period	827,525	
Attributable to:		
	752,083	
	75,442	
	827,525	
Earnings per share (expressed in RMB per share)	0.50	-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
	2019	
	RMB'000	
	(Unaudited)	
Profit for the period	827,525	
Other comprehensive income/(loss):		
<i>Share of other comprehensive income of equity-accounted investees</i>	7,247	
<i>Other comprehensive income/(loss) not attributable to equity-accounted investees</i>	—	
Other comprehensive income/(loss) for the period, net of tax	7,247	
Total comprehensive income for the period	834,772	
Total comprehensive income for the period attributable to:		
<i>Equity-accounted investees</i>	758,509	
<i>Equity-accounted investees</i>	76,263	
	834,772	

CONDENSED CONSOLIDATED BALANCE SHEET

	As of June 30, 2019 RMB'000 (Unaudited)	
ASSETS		
Non-current assets		
Property, plant and equipment	—	
Investment properties	3,656,767	
Intangible assets	590,591	
Long-term equity investments	106,118	
Available-for-sale financial assets	392,289	
Long-term receivables	540,210	
Long-term prepaid expenses	231,492	
Long-term contract liabilities	13,748	
Long-term deposits	176,425	
Long-term restricted bank deposits	174,353	
	5,881,993	
Current assets		
Monetary funds	3,982,426	
Accounts receivable	123,985	
Prepaid expenses	5,567	
Other receivables	7,098	
Long-term contract assets	688,460	
Long-term contract liabilities	2,981,080	
Long-term contract assets	559,615	
Long-term contract liabilities	—	
Long-term contract assets	2,491	
Long-term contract liabilities	253,088	
Long-term contract assets	2,173,503	
	10,777,313	
	197,874	
	10,975,187	
Total assets	16,857,180	

As of
June 30,
2019
RMB'000
(Unaudited)

LIABILITIES

Non-current liabilities

Long-term debt	100,500		
Deferred tax liabilities	94,049		
Long-term payables	25,499		
Long-term contract liabilities	931		
Other non-current liabilities	132,312		
	353,291		

Current liabilities

Accounts payable	2,844		
Accounts receivable	3,644,084		
Contract liabilities	1,776,894		
Contract liabilities	589,485		
Other payables	1,694,085		
Deferred tax liabilities	19,492		
Other current liabilities	122,791		
Other	137,173		
Other	254,343		
Other	-		
	8,241,191		

Total liabilities

8,594,482

EQUITY

Equity attributable to owners of the Company

Capital	1,500,000		
Reserves	2,390,800		
Other	3,951,519		

7,842,319

Non-controlling interests

420,379

Total equity

8,262,698

Total equity and liabilities

16,857,180

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital	Other reserves	Retained earnings	Sub-total		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2018 (Audited)	1,000,000	1,000,000	1,000,000	3,000,000	1,000,000	4,000,000
Comprehensive income						
Net income	100,000	100,000	100,000	300,000	100,000	400,000
Other comprehensive income	100,000	100,000	100,000	300,000	100,000	400,000
Dividends	(100,000)	(100,000)	(100,000)	(300,000)	(100,000)	(400,000)
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>400,000</u>
Total comprehensive income for the period	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>400,000</u>
Transactions with owners in their capacity as owners						
Issuance of shares	100,000	100,000	100,000	300,000	100,000	400,000
Share repurchases	(100,000)	(100,000)	(100,000)	(300,000)	(100,000)	(400,000)
Dividends	(100,000)	(100,000)	(100,000)	(300,000)	(100,000)	(400,000)
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>400,000</u>
Total transactions with owners in their capacity as owners	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>400,000</u>
Balance at June 30, 2018 (Unaudited)	<u><u>1,100,000</u></u>	<u><u>1,100,000</u></u>	<u><u>1,100,000</u></u>	<u><u>3,300,000</u></u>	<u><u>1,100,000</u></u>	<u><u>4,400,000</u></u>

Attributable to owners of the Company

	Share capital <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non-controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at January 1, 2019 (Audited)	1,000,000	1,000,000	1,000,000	3,000,000	1,000,000	5,000,000
Comprehensive income						
Net income	100,000	100,000	100,000	300,000	100,000	600,000
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>600,000</u>
Transactions with owners in their capacity as owners						
Issuance of shares	100,000	-	-	100,000	-	100,000
Share repurchases	(100,000)	-	-	(100,000)	-	(100,000)
Dividends	-	-	(100,000)	(100,000)	-	(100,000)
Other	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	<u>0</u>	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>
Balance at June 30, 2019 (Unaudited)	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>	<u><u>900,000</u></u>	<u><u>3,000,000</u></u>	<u><u>1,000,000</u></u>	<u><u>5,900,000</u></u>

NOTES:

1 GENERAL INFORMATION

The Company is a company incorporated in the People's Republic of China ("PRC") and its registered office is located at [REDACTED].

The Company's functional currency is the Renminbi ("RMB").

The Company's financial statements are prepared in accordance with the accounting principles generally accepted in the PRC.

2 BASIS OF PREPARATION

The financial statements are prepared on the historical cost basis, except for certain financial instruments that are measured at fair value. The Company follows the accounting standards issued by the International Accounting Standards Board ("IAS 34") and the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board, as well as the accounting standards issued by the Ministry of Finance of the PRC, to prepare the historical financial information.

	June 30, 2019	
	RMB'000	
Investment in subsidiaries	590,591	
Investment in associates	103,597	
Investment in joint ventures	2,521	
	<u>106,118</u>	
	<u>696,709</u>	
Investment in subsidiaries		Six months ended
		June 30, 2019
		RMB'000
Investment in subsidiaries		-
Investment in associates		598,492
Investment in joint ventures		<u>6,773</u>
Net book amount		<u>605,265</u>
Period ended June 30, 2019		
Investment in subsidiaries		605,265
Investment in associates		168
Investment in joint ventures		(6,970)
Investment in subsidiaries		(144)
Investment in joint ventures		<u>(7,728)</u>
Closing net book amount		<u>590,591</u>
As of June 30, 2019		
Investment in subsidiaries		591,010
Investment in joint ventures		<u>(419)</u>
Net book amount		<u>590,591</u>

Investment in subsidiaries, investment in associates and investment in joint ventures are measured at cost less impairment. Dividends received from these entities are recorded as income.

Investment in subsidiaries, investment in associates and investment in joint ventures are measured at cost less impairment. Dividends received from these entities are recorded as income. Investment in subsidiaries, investment in associates and investment in joint ventures are measured at cost less impairment. Dividends received from these entities are recorded as income.

(i) Impact on earnings per share

There is no impact on earnings per share as a result of the reclassification of the above items.

(ii) Practical expedients applied

There is no impact on earnings per share as a result of the reclassification of the above items.

The above items are reclassified to the following categories:

– Selling, general and administrative expenses

– Research and development expenses

– Other operating expenses

– Other income

– Other non-operating income

– Other non-operating expenses

– Other non-current assets

– Other non-current liabilities

The above items are reclassified to the following categories:

5 SEGMENT INFORMATION

The following table sets forth the financial information for the segments of the Company as reported to the **CODM** and **CEO**.

The segments are defined as follows:

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The segments are defined as follows:

	Six months ended June 30, 2019				
	The PRC RMB'000	North America RMB'000	Europe RMB'000	Other regions RMB'000	Total RMB'000
(Unaudited)					
Revenue	7,253,786	2,691,781	1,131,199	586,659	11,663,425
Cost of sales	284,963	341,006	161,799	8,590	796,358
Operating expenses	75,481	–	65,329	4,465	145,275
Operating income	7,614,230	3,032,787	1,358,327	599,714	12,605,058
Other income	(6,454,040)	(2,290,083)	(1,032,040)	(499,941)	(10,276,104)
Other non-operating income	(225,914)	(317,950)	(113,865)	(6,872)	(664,601)
Other non-operating expenses	(19,880)	–	(47,503)	(2,025)	(69,408)
Income before income taxes	<u>(6,699,834)</u>	<u>(2,608,033)</u>	<u>(1,193,408)</u>	<u>(508,838)</u>	<u>(11,010,113)</u>
Gross profit	<u>914,396</u>	<u>424,754</u>	<u>164,919</u>	<u>90,876</u>	<u>1,594,945</u>

	2019	2018	2017	2016	2015
Revenue	1,594,945	1,594,945	1,594,945	1,594,945	1,594,945
Cost of sales	(435,550)	(435,550)	(435,550)	(435,550)	(435,550)
Gross profit	1,159,395	1,159,395	1,159,395	1,159,395	1,159,395
Operating expenses	(269,378)	(269,378)	(269,378)	(269,378)	(269,378)
Other income	(605,325)	(605,325)	(605,325)	(605,325)	(605,325)
Other expenses	2,964	2,964	2,964	2,964	2,964
Other income	110,116	110,116	110,116	110,116	110,116
Other expenses	(142,941)	(142,941)	(142,941)	(142,941)	(142,941)
Other income	(19,605)	(19,605)	(19,605)	(19,605)	(19,605)
Other expenses	5,381	5,381	5,381	5,381	5,381
Other income	(134,514)	(134,514)	(134,514)	(134,514)	(134,514)
Profit for the period	827,525	827,525	827,525	827,525	827,525

**Six months ended June 30,
2019
RMB'000
(Unaudited)**

Segment gross profit	1,594,945	
Operating expenses	(269,378)	
Other income	(605,325)	
Other expenses	2,964	
Other income	110,116	
Other expenses	(142,941)	
Other income	(19,605)	
Other expenses	5,381	
Other income	(134,514)	
Profit for the period	827,525	

Revenue is derived from the sale of goods and services. Revenue is recognized when the performance obligation is satisfied, which is when the control of the goods or services is transferred to the customer.

6 REVENUES

	Six months ended June 30,	
	2019	
	RMB'000	
	(Unaudited)	
Revenue from contract with customers:		
Revenue from contracts with customers	11,663,425	11,663,425
Revenue from contracts with customers	796,358	796,358
Revenue from contracts with customers	114,493	114,493
	<hr/>	<hr/>
	12,574,276	12,574,276
	12,535,491	12,535,491
	69,567	69,567
	<hr/>	<hr/>
Revenue from other sources		
	30,782	30,782
	<hr/>	<hr/>
	12,605,058	12,605,058

8 FINANCE COSTS – NET

	Six months ended June 30, 2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Finance costs:		
Interest expense	61,045	10,000
Interest income	-	-
	<u>61,045</u>	<u>10,000</u>
Finance income:		
Interest income	(41,440)	(1,000)
	<u>19,605</u>	<u>9,000</u>

9 INCOME TAX EXPENSE

	Six months ended June 30, 2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Income tax expense	147,627	13,000
Income tax credit	(13,113)	-
Income tax expense	<u>134,514</u>	<u>13,000</u>

(a) Enterprise income tax in mainland China (“EIT”)

The Company is subject to EIT in mainland China. The EIT is calculated based on the taxable income of the Company in mainland China. The EIT rate is 25%.

(b) Corporate income tax in other jurisdictions

The Company is subject to corporate income tax in other jurisdictions. The corporate income tax is calculated based on the taxable income of the Company in other jurisdictions. The corporate income tax rate is 25%.

(c) Preferential EIT rate

The Company is eligible for a preferential EIT rate of 15% in mainland China. The preferential EIT rate is applied to the taxable income of the Company in mainland China.

10 DIVIDENDS

	Six months ended June 30, 2019 RMB'000 (Unaudited)	Six months ended June 30, 2018 RMB'000 (Unaudited)
Dividends paid	-	-
Dividends payable	400,000	-
Dividends receivable	(400,000)	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Dividends payable are payable to the shareholders of the Company. Dividends receivable are receivable from the shareholders of the Company.

11 EARNINGS PER SHARE

	Six months ended June 30, 2019 (Unaudited)	Six months ended June 30, 2018 (Unaudited)
Basic earnings per share	752,083	1,500,000
Diluted earnings per share	1,500,000	1,500,000
	<u>0.50</u>	<u>-</u>
	<u><u>0.50</u></u>	<u><u>-</u></u>

12 TRADE AND BILL RECEIVABLES

	As of June 30, 2019 RMB'000 (Unaudited)	As of June 30, 2018 RMB'000 (Unaudited)
Trade receivables	6,028	9,100
Bill receivables	9,100	-
	<u>15,128</u>	<u>9,100</u>
	<u><u>15,128</u></u>	<u><u>9,100</u></u>
Trade receivables	3,046,816	3,046,816
Bill receivables	51,126	51,126
	<u>3,097,942</u>	<u>3,100,000</u>
	<u><u>3,097,942</u></u>	<u><u>3,100,000</u></u>
Trade receivables	3,113,070	3,113,070
Bill receivables	(131,990)	(131,990)
	<u>2,981,080</u>	<u>2,981,080</u>
	<u><u>2,981,080</u></u>	<u><u>2,981,080</u></u>

13 PREPAYMENTS AND OTHER RECEIVABLES

	As of June 30, 2019 <i>RMB'000</i> (Unaudited)
Prepayments	242,565
Other receivables	17,909
Other receivables	27,311
	<hr/>
	287,785
	(6,202)
	<hr/>
	281,583
	<hr/>
Prepayments	55,401
Other receivables	28,414
Other receivables	85,124
Other receivables	73,082
Other receivables	43,002
Other receivables	50,234
	<hr/>
	335,257
	(57,225)
	<hr/>
	278,032
	<hr/>
	559,615
	<hr/> <hr/>

14 TRADE AND BILL PAYABLES

	As of June 30, 2019 <i>RMB'000</i> (Unaudited)
Trade payables	3,494,631
Bill payables	149,453
	<hr/>
	3,644,084
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14. *As of June 30, 2019, the Company's bank deposits are held in the following currencies:*

	As of June 30, 2019 RMB'000 (Unaudited)	
U.S. dollars	2,036,152	
U.S. dollars denominated deposits	874,331	
U.S. dollars denominated deposits	450,609	
U.S. dollars denominated deposits	282,992	
	3,644,084	

15 OTHER PAYABLES AND ACCRUALS

	As of June 30, 2019 RMB'000 (Unaudited)	
Accounts payable	162,841	
Accounts receivable	606,025	
Accounts receivable	384,766	
Accounts receivable	214,194	
Accounts receivable	101,277	
Accounts receivable	96,844	
Accounts receivable	20,443	
Accounts receivable	26,812	
Accounts receivable	27,758	
Accounts receivable	22,444	
Accounts receivable	113,490	
	1,776,894	

16 EVENTS OCCURRING AFTER THE REPORTING PERIOD

16.1 *Global Offering* - On July 1, 2019, the Company completed a global offering of 10,000,000 shares of its common stock, including 1,000,000 shares of common stock, at a price of \$10.00 per share. The net proceeds from the offering, after deducting underwriting discounts and commissions, were approximately \$95.0 million. The net proceeds from the offering will be used for general corporate purposes, including working capital, capital expenditures, and research and development. The offering was oversubscribed, and the Company received a total of 11,000,000 shares of common stock, including 1,000,000 shares of common stock, from investors. The Company will issue the remaining 1,000,000 shares of common stock to investors in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

The following information is provided to assist you in understanding the financial performance of the Company and the factors that have affected that performance. It should be read in conjunction with the financial statements and the notes thereto. The information is presented in Canadian dollars, unless otherwise indicated.

Product portfolio

The following table shows the Company's product portfolio:

The Company's product portfolio is divided into three main categories: (i) pharmaceuticals, (ii) medical devices and (iii) consumer products.

The pharmaceuticals category includes the following products:

The medical devices category includes the following products:

The consumer products category includes the following products:

The Company's product portfolio is diversified across various therapeutic areas and geographical markets.

The following table shows the Company's product portfolio:

The following table shows the Company's product portfolio:

The pharmaceuticals category includes the following products:

The medical devices category includes the following products:

The consumer products category includes the following products:

BUSINESS REVIEW AND OUTLOOK

Operating Revenue

The following table shows the Company's operating revenue for the periods indicated:

- The Company's operating revenue is primarily derived from the sale of pharmaceuticals, medical devices and consumer products.
- The Company's operating revenue is highly dependent on the success of its key products and the overall market conditions.
- The Company's operating revenue is expected to increase over the next few years as a result of the launch of new products and the expansion of its sales and marketing efforts.

The following table shows the Company's operating revenue for the periods indicated:

- **Cost of Sales** (COGS) is the direct cost of producing the goods or services sold by a company. It includes the cost of raw materials, labor, and overheads. COGS is calculated as: $COGS = \text{Beginning Inventory} + \text{Purchases} - \text{Ending Inventory}$.
- **Gross Profit** is the profit remaining after deducting COGS from sales revenue. It is calculated as: $\text{Gross Profit} = \text{Sales Revenue} - \text{COGS}$.
- **Operating Profit** (EBIT) is the profit remaining after deducting operating expenses (such as salaries, rent, and depreciation) from gross profit. It is calculated as: $\text{Operating Profit} = \text{Gross Profit} - \text{Operating Expenses}$.
- **Net Profit** (EBT) is the profit remaining after deducting interest and taxes from operating profit. It is calculated as: $\text{Net Profit} = \text{Operating Profit} - \text{Interest} - \text{Taxes}$.
- **Profitability Ratios** are used to measure a company's ability to generate profit. Key ratios include:
 - **Gross Profit Margin**: $\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Sales Revenue}}$
 - **Operating Profit Margin**: $\text{Operating Profit Margin} = \frac{\text{Operating Profit}}{\text{Sales Revenue}}$
 - **Net Profit Margin**: $\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales Revenue}}$

Gross Margin and Profitability

The **Gross Margin** is a key indicator of a company's profitability. It represents the percentage of sales revenue that remains after deducting the cost of goods sold. A higher gross margin indicates that a company is able to produce its goods or services at a lower cost relative to the price it charges. The gross margin is calculated as: $\text{Gross Margin} = \frac{\text{Gross Profit}}{\text{Sales Revenue}}$.

The **Profitability** of a company is measured by its ability to generate profit. This is often expressed as a percentage of sales revenue. The **Operating Profit Margin** is a common measure of profitability, calculated as: $\text{Operating Profit Margin} = \frac{\text{Operating Profit}}{\text{Sales Revenue}}$. The **Net Profit Margin** is another measure of profitability, calculated as: $\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales Revenue}}$.

Review by Business Segment

Six months ended June 30,
2019

	Revenue	Gross Margin	Operating Profit	Operating Profit Margin
Vehicle sales	11,663.4	11.9%	1,388.2	11.9%
Parts and components sales	796.4	16.5%	130.3	16.4%
Other businesses	145.3	52.2%	75.8	52.2%
Total	12,605.1	12.7%	1,594.3	12.7%

Sales of vehicles business

Vehicle sales revenue decreased 1.0% from 11,769.8 million yen in the same period of the previous year to 11,663.4 million yen in the current period. This was due to a decrease in sales volume of 1,000 units, which was caused by a decrease in sales volume of 1,000 units in the current period. The gross margin rate increased 0.1 percentage points from 11.8% in the same period of the previous year to 11.9% in the current period. This was due to an increase in the gross margin rate of 0.1 percentage points in the current period.

Sales of parts and components business

Parts and components sales revenue decreased 1.0% from 800.0 million yen in the same period of the previous year to 796.4 million yen in the current period. This was due to a decrease in sales volume of 1,000 units, which was caused by a decrease in sales volume of 1,000 units in the current period. The gross margin rate increased 0.1 percentage points from 16.4% in the same period of the previous year to 16.5% in the current period. This was due to an increase in the gross margin rate of 0.1 percentage points in the current period.

Other businesses

Other businesses revenue decreased 1.0% from 145.3 million yen in the same period of the previous year to 145.3 million yen in the current period. This was due to a decrease in sales volume of 1,000 units, which was caused by a decrease in sales volume of 1,000 units in the current period. The gross margin rate increased 0.1 percentage points from 52.1% in the same period of the previous year to 52.2% in the current period. This was due to an increase in the gross margin rate of 0.1 percentage points in the current period.

Operating profit increased 1.0% from 1,594.3 million yen in the same period of the previous year to 1,594.3 million yen in the current period. This was due to an increase in operating profit of 1.0% in the current period. The operating profit margin increased 0.1 percentage points from 12.6% in the same period of the previous year to 12.7% in the current period. This was due to an increase in the operating profit margin of 0.1 percentage points in the current period.

North America

The North American market is characterized by a high level of competition and a focus on innovation. Key players in the region include [Company Name], [Company Name], and [Company Name]. The market is driven by factors such as [Factor], [Factor], and [Factor]. The region is expected to continue to grow, with a focus on [Factor] and [Factor].

Europe

The European market is characterized by a high level of competition and a focus on innovation. Key players in the region include [Company Name], [Company Name], and [Company Name]. The market is driven by factors such as [Factor], [Factor], and [Factor]. The region is expected to continue to grow, with a focus on [Factor] and [Factor].

Other Regions

The Other Regions market is characterized by a high level of competition and a focus on innovation. Key players in the region include [Company Name], [Company Name], and [Company Name]. The market is driven by factors such as [Factor], [Factor], and [Factor]. The region is expected to continue to grow, with a focus on [Factor] and [Factor].

Future Plans and Strategies

State Council

《關於加快道路貨運行業轉型升級促進高質量發展的意見》

Guideline

《關於加快道路貨運行業轉型升級促進高質量發展的意見》

《打贏藍天保衛戰三年行動計劃》

中國汽車工業協會專用車分會 漢陽專用汽車研究所

中國掛車高質量發展聯席會

1998-1999

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem.

2. The second step is to identify the causes of the problem.

3. The third step is to identify the consequences of the problem. This involves identifying the short-term and long-term effects of the problem on the organization and its stakeholders. This step also involves identifying the stakeholders who are affected by the problem and their interests.

4. The fourth step is to identify the resources available to address the problem. This involves identifying the human, financial, and technical resources that are available to the organization. This step also involves identifying the constraints that may limit the organization's ability to address the problem.

5. The fifth step is to develop a plan of action to address the problem.

6. The sixth step is to implement the plan of action. This involves putting the plan into action and monitoring the progress of the implementation. This step also involves identifying the key performance indicators (KPIs) that will be used to measure the success of the implementation.

7. The seventh step is to evaluate the results of the implementation. This involves comparing the actual results of the implementation with the expected results. This step also involves identifying the lessons learned from the implementation and using these lessons to improve the organization's performance in the future.

8. The eighth step is to communicate the results of the implementation.

9. The ninth step is to review the process of identifying and addressing the problem. This involves identifying the strengths and weaknesses of the process and using these insights to improve the organization's performance in the future. This step also involves identifying the key lessons learned from the process and using these lessons to improve the organization's performance in the future.

June 30, 2019
RMB in millions

	1,694.1	
	-	
	100.5	
Total	1,794.6	

Notes to the financial statements are an integral part of these financial statements. For more information, please refer to the notes to the financial statements.

The financial statements are prepared in accordance with the accounting standards and practices of the People's Republic of China.

The financial statements are prepared on a going concern basis.

The financial statements are prepared on a historical cost basis.

The financial statements are prepared on a consolidated basis.

The financial statements are prepared on a fair value basis.

Capital Structure

At December 31, 2014, the Company's capital structure consisted of the following:

Component	Amount
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, 100,000,000 shares issued and outstanding	\$1,000,000
Common stock, \$0.01 par value, 100,000,000 shares authorized, 100,000,000 shares issued and outstanding	\$1,000,000
Additional paid-in capital	\$1,000,000
Retained earnings	\$1,000,000
Total	\$4,000,000

The Company's capital structure is primarily composed of common stock and retained earnings. The Company has no debt or other financing arrangements. The Company's capital structure is subject to change as a result of future financing activities, including the issuance of additional common stock or the payment of dividends. The Company's capital structure is also subject to change as a result of the Company's operating performance and the resulting changes in retained earnings. The Company's capital structure is not expected to change significantly over the next 12 months.

Capital Commitments

At December 31, 2014, the Company had no capital commitments.

Plans for significant investment or purchase of capital assets in the future and its financing proposals

Contingent Liabilities

(1) Financial guarantees

(2) Outstanding performance bond and letter of credit

Number and remuneration of employees, remuneration policy and training plan

Interim Dividend

Use of Proceeds from Global Offering

CopurRedemptng tran14.917 0.053 T2sam962

Corporate Governance

Corporate Governance Practices

Corporate Governance Practices are the set of rules and procedures that govern the relationship between the company and its stakeholders. These practices are designed to ensure the company's long-term success and to protect the interests of all stakeholders. The practices are based on the principles of transparency, accountability, and ethical behavior. The practices are also based on the principles of good corporate citizenship and social responsibility.

Rules

▲ **Listing**

Audit Committee

▲ **Audit Committee**

Securities Transactions by Directors and Supervisors

Model Code

CIMC Vehicles (Group) Co., Ltd.
Li Guiping