

CIMC 中集

China International Marine Containers (Group) Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

A Share Stock Code: 000039

H Share Stock Code: 2039



ANNUAL REPORT 2020

SIGNIFICANT RISK WARNING

This Report contains certain forward-looking statements with respect to the financial position, operational results and business of the Group. These forward-looking statements are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances which may occur in the future and are beyond our control. Therefore, the forward-looking statements reflect the Group's current views with respect of future events and are not a guarantee of future performance. Actual results may differ from the information contained in such forward-looking statements.



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IMPORTANT NOTICE

The 2020 annual report (hereinafter referred to as this “**Report**” or the “**2020 Annual Report**”) has been reviewed and approved at the 7th meeting of the ninth session of the Board in 2020. All Directors have attended the Board meeting, where one of the directors, Mr. DENG Weidong authorized Mr. HU Xianfu, the vice-chairman, to exercise voting rights on his behalf.

The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that this annual report is true, accurate and complete and does not contain any false records, misleading statements or material omission and individually and collectively take legal responsibility.

The proposed profit distribution plan of the Company for 2020 as considered and approved by the Board is based on the total share capital of the Company as at the record date of dividend payment for 2020, a cash dividend of RMB0.28 (tax inclusive) per share will be distributed to all Shareholders; no bonus shares will be issued and shares will not be converted from capital reserve into share capital. The proposed dividend is expected to be payable on or around 20 July 2021. The annual dividend distribution plan for 2020 shall be submitted to the Company’s annual general meeting for consideration and approval.

Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board and CEO, and Mr. ZENG Han, Chief Financial Officer, person-in-charge of accounting affairs and head of the accounting department, hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this Report.

The financial statements of the Group for 2020 prepared in accordance with CASBE have been audited by PricewaterhouseCoopers Zhong Tian LLP, who has issued an audit report with unqualified opinions on the financial statements.

The forward-looking statements in this Report regarding future plans and development strategies do not constitute a material commitment by the Group to investors. Investors are advised to be fully aware of the risks involved, to understand the differences between plans, forecasts and commitments and to be aware of the investment risks.

This Report has been published in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

DEFINITIONS

For the purpose of this Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Items	Definitions
“A Share(s)” (or “RMB-denominated Ordinary Share(s)”)	Domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in Renminbi.
“A Share(s) Share Option Incentive Scheme”	Share option incentive scheme of China International Marine Containers (Group) Co., Ltd. considered and approved at the extraordinary general meeting of the Company on 17 September 2010.
“Trust Plan”	The trust plan (phase I) set up under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (Draft), which was considered and approved at the annual general meeting of the Company on 1 June 2020.
“Articles of Association”	The Articles of China International Marine Containers (Group) Co., Ltd.
“Board”	The Board of the Company.
“C&C Trucks”	C&C Trucks Co., Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC with limited liability in 2009 and a holding subsidiary of the Company.
“Shenzhen Capital Group”	Shenzhen Capital Holdings Co., Ltd., a state-owned enterprise established in the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal, which is the largest Shareholder of the Company.
“CASBE”	Accounting Standards for Business Enterprises – Basic Standard and 42 Specific Accounting Standards issued by the Ministry of Finance of the PRC, and application guidance and interpretations to CASBE and other related regulations.
“CIMC TianDa”	CIMC-TianDa Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability in 2002 and a holding subsidiary of the Company. Its shares were listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 445), and on 25 January 2021, the listing of the shares of CIMC TianDa on the Hong Kong Stock Exchange was withdrawn after privatisation by way of a scheme of arrangement.

DEFINITIONS

“Company”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱（集團）股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange.
“CIMC” or “Group”	The Company and its subsidiaries.
“CIMC Enric”	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands with limited liability in 2004, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Hong Kong stock code: 3899) and a holding subsidiary of the Company.
“CIMC Finance Company”	CIMC Finance Co., Ltd., a company incorporated in the PRC in 2010 and a holding subsidiary of the Company.
“CIMC Financial Leasing Company”	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC in 2007 and a holding subsidiary of the Company.
“CIMC HK”	China International Marine Containers (Hong Kong) Limited (中國國際海運集裝箱（香港）有限公司), a company incorporated in Hong Kong in 1992 and a holding subsidiary of the Company.
“CIMC Investment”	Shenzhen CIMC Investment Co., Ltd.* (深圳市中集投資有限公司), a company incorporated in the PRC in 2011 and a holding subsidiary of the Company.
“CIMC Modular”	CIMC Modular Building Investment Company Limited (中集模塊化建築投資有限公司), a company incorporated in the PRC in 2013 and a holding subsidiary of the Company.
“CIMC Offshore Engineering”	CIMC Offshore Engineering Co., Ltd., a company incorporated in the PRC in 2016 and a holding subsidiary of the Company.
“CIMC Raffles”	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore in 1994 and a holding subsidiary of the Company.
“CIMC Chancheng”	Shenzhen CIMC Chancheng Development Group Co., Ltd. (深圳市中集產城發展集團有限公司), a company incorporated in the PRC in 1998.
“CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd. (中集車輛（集團）股份有限公司), a company incorporated in the PRC in 1996, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Hong Kong stock code: 1839), and a holding subsidiary of the Company.

DEFINITIONS

“COSCO SHIPPING”	COSCO SHIPPING Development Co., Ltd.
“Corporate Governance Code”	The Corporate Governance Code contained in Appendix 14 of the Hong Kong Listing Rules.
“China Merchants Group” or “CMG”	China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise established in the PRC under direct control of the State-owned Assets Supervision and Administration Commission, which is second largest Shareholder of the Company.
“Merchants Shekou”	China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and an indirect non-wholly-owned subsidiary of China Merchants Group.
“CSRC”	China Securities Regulatory Commission.
“Director(s)”	The director(s) of the Company.
“Enric Shenzhen”	CIMC Enric Investment Holdings (Shenzhen) Ltd. (中集安瑞科投資控股(深圳)有限公司), a company incorporated in the PRC in 2010 and a holding subsidiary of the Company.
“H Share(s)” (or “Overseas-listed Foreign Share(s)”)	Overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC.
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Implementation Rules of the Audit Committee”	The Implementation Rules of the Audit Committee under the Board of China International Marine Containers (Group) Co., Ltd.
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules.
“Southern CIMC”	Shenzhen Southern CIMC Containers Manufacture Co., Ltd., a company incorporated in the PRC in 1995 and a holding subsidiary of the Company.

DEFINITIONS

“PRC” or “China”	The People’s Republic of China.
“Reporting Period” or “Year” or “Period”	The twelve months from 1 January 2020 to 31 December 2020.
“RMB”	Renminbi, the lawful currency of the PRC.
“Rules of Procedures for the Board”	The Rules of Procedures for the Board of China International Marine Containers (Group) Co., Ltd.
“Rules of Procedure for the General Meetings”	The Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.
“Rules of Procedure for the Supervisory Committee”	The Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd.
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.
“Shareholder(s)”	The holder(s) of A share(s) and H share(s) of the Company.
“Shenzhen Listing Rules”	The Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange.
“Supervisor(s)”	The supervisor(s) of the Company.
“Supervisory Committee”	The Supervisory Committee of the Company.
“SESKYC”	Shenzhen Sky Capital Co., Ltd. (深圳天億投資有限公司), a company incorporated in the PRC in 2011 and a holding subsidiary of the Company.
“USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States of America.
“Ziegler”	Albert Ziegler GmbH, a company incorporated in Germany and a non-wholly owned subsidiary of the Company.
“CMIC”	CMIC Ocean En-Tech Holding Co., Ltd., a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 206).
“%”	Percentage.

GLOSSARY

This glossary contains certain definitions of technical terms used in this Report in connection with the Group. Some of these definitions may not correspond to standard industry definitions or usage.

Items	Definitions
CNG	Compressed Natural Gas.
ERP	Enterprise Resource Planning.
EPC	Engineering Procurement Construction.
FPSO	Floating Production Storage and Offloading.
GSE	Ground Support Equipment, refers to airport equipment used to ensure flight safety. To meet the requirements for aircraft maintenance and flights, airports are equipped with a variety of modern ground support equipment, including but not limited to mechanical, electric, hydraulic and special gas equipment.
HSE	Health Safety Environment.
Jack-up Drilling Platform	A jack-up drilling platform is a mobile oil rig commonly used for shallow water operation. Most jack-up rigs operate in water depths ranging from 250 to 400 feet. This oil drilling equipment is generally used for mounting machinery, power supply, equipment and accommodation facilities for drilling and certain liftable spud legs on a platform floating on the water.
LNG	Liquefied Natural Gas.
LPG	Liquefied Petroleum Gas.
Modular Building	The building manufactured in a factory environment and transported to a prepared project site to be installed.
ONE Model	Optimization Never Ending, the lean management system of the Group.
QHSE	A management system that guides and controls an organisation in respect of Quality, Health, Safety and Environmental aspects.
Semi-submersible Drilling Platform	A semi-submersible drilling platform is a mobile oil rig; the upper part of the hull structure is the working deck and the lower part comprises two lower hulls, with the parts connected by support columns. When in operation, the lower hulls are submerged into the water. A semi-submersible platform is generally used in deep seas with water depths ranging from 600–3,600m. The platform typically uses a dynamic positioning system for positioning.
TEU	Twenty-foot equivalent unit, also known as a standard unit (a container with a length of 20 feet, a height of 8 feet and 6 inches and a width of 8 feet), being used to measure the volume of a container.

CHAPTER I

CORPORATE PROFILE

The Company was incorporated in Shenzhen, Guangdong Province, the PRC under the PRC Company Law on 14 January 1980 and was named as “China International Marine Containers Co., Ltd.” (中國國際海運集裝箱股份有限公司) upon incorporation. After being restructured as a joint stock limited company in December 1992, and publicly offered A shares and B shares which were listed on the Shenzhen Stock Exchange in 1994, the Company changed its name to “China International Marine Containers (Group) Co., Ltd.” (中國國際海運集裝箱(集團)股份有限公司) in 1995. The A shares of the Company were listed on the Shenzhen Stock Exchange on 8 April 1994 and its H shares were listed by introduction on the Main Board of the Hong Kong Stock Exchange on 19 December 2012. The Company is the first enterprise in China with its B shares converted into H shares listed on the Main Board of the Hong Kong Stock Exchange.

The Group is a world leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, road transportation vehicles, energy/chemical/liquid food equipment, offshore engineering equipment, airport facilities equipment as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services. In addition, the Group is also engaged in logistics services business, finance and asset management and other businesses. Through business expansion and technology development, the Group has formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

I. COMPANY INFORMATION

Legal Name in Chinese:	中國國際海運集裝箱(集團)股份有限公司
Abbreviated Chinese Name:	中集集團
Company Name in English:	China International Marine Containers (Group) Co., Ltd.
Abbreviated English Name:	CIMC
Legal Representative:	Mai Boliang
Authorised Representatives:	Mai Boliang, Yu Yuqun, Wu Sanqiang (note)
Registered Address and Address of Head Office:	8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC
Postal Code:	518067
Principal Place of Business in Hong Kong:	3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
Company Website:	http://www.cimc.com
Email Address:	ir@cimc.com

Note: The Resolution Regarding the Approval on Appointment of the Authorised Representative, Joint Company Secretary and Representative of Securities Affairs of the Company was considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company convened on 29 March 2021, which approved the appointment of Mr. Wu Sanqiang as an authorised representative of the Company under Rule 3.05 of the Hong Kong Listing Rules with effect from 30 March 2021. The capacity as an authorised representative of Mr. Mai Boliang, a director, remains unchanged. Mr. Yu Yuqun resigned as the authorised representative of the Company due to work arrangement.

CHAPTER I CORPORATE PROFILE

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary to the Board, Company Secretary, Joint Company Secretary:	Yu Yuqun, Wu Sanqiang, He Linying (note 1)
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86 755) 2669 1130
Facsimile:	(86 755) 2682 6579
Email Address:	ir@cimc.com
Representative of Securities Affairs:	Wang Xinjiu, He Linying (note 2)
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86 755) 2680 2258
Facsimile:	(86 755) 2682 6579
Email Address:	ir@cimc.com

III. CHANGES IN REGISTRATION

Unified social credit code:	91440300618869509J
First Registration Date of the Company:	14 January 1980
First Registration Place of the Company:	Shenzhen Administration of Industry and Commerce
Registration at the End of the Reporting Period:	Same as the above
Change of the Controlling Shareholder:	No controlling Shareholder

IV. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

Designated Newspapers for Information Disclosure:	A Shares: "China Securities Journal", "Securities Times", and "Shanghai Securities News"
Authorised Websites on which this Report is Made Available:	A Shares: www.cninfo.com.cn H Shares: www.hkexnews.hk
Legal Website:	www.cimc.com
Places at which this Report is Available:	Office of the Secretary to the Board of the Company, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)

Note 1: On 29 March 2021, as considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company, it was agreed to appoint Mr. Wu Sanqiang as the secretary to the Board/a joint company secretary of the Company for a term of three years from 30 March 2021 and ending on the conclusion of the Board for 2024 according to the nomination by Mr. Mai Boliang (as chairman and CEO), and to appoint Ms. He Linying as the joint company secretary of the Company with effect from 30 March 2021. Mr. Yu Yuqun resigned as the secretary to the Board and company secretary of the Company due to work arrangement.

Note 2: On 29 March 2021, as considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company, it was agreed to appoint Ms. He Linying as the representative of securities affairs of the Company with effect from 30 March 2021. Mr. Wang Xinjiu no longer served as the representative of securities affairs of the Company due to job transfer.

CHAPTER I CORPORATE PROFILE

V. STOCK INFORMATION OF THE COMPANY

Stock Exchange on which A Shares are Listed:	Shenzhen Stock Exchange
Abbreviated Stock Name for A Shares:	CIMC
Stock Code:	000039
Stock Exchange on which H Shares are Listed:	The Hong Kong Stock Exchange
Abbreviated Stock Name for H Shares:	CIMC, ZJHD (Note)
Stock Code:	02039, 299901 (Note)

Note: Both the abbreviated stock name and the stock code were only used by the original B Shareholders of the Company in the PRC in respect of their trading of H Shares of the Company after H Shares of the Company were listed on the Hong Kong Stock Exchange.

VI. OTHER RELEVANT INFORMATION

Hong Kong Share Registrar:	Computershare Hong Kong Investor Services Limited Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
Hong Kong Lawyer:	Paul Hastings 21–22/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong
PRC Lawyer:	Commerce & Finance (Shenzhen) Law Offices Unit 2301, Block A, Aerospace Science and Technology Plaza, Haide 3rd Road, Nanshan District, Shenzhen
Auditor:	PricewaterhouseCoopers Zhong Tian LLP 11th Floor, PricewaterhouseCoopers Centre, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai, PRC
The Certified Public Accountants as the Signatories:	Cao Cuili, Guo Suhong

CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

I. CHANGE OF ACCOUNTING POLICIES AND CORRECTION OF ACCOUNTING ERRORS

Retrospective adjustment to or restatement of the accounting information for prior years by the Company due to change of accounting policies and correction of accounting errors

Yes No

Reasons for retrospective adjustment or restatement: change of accounting policies and others

The Ministry of Finance promulgated the Notice on the Publication of Regulations on Accounting Treatment of COVID-19-Related Rent Concessions (Cai Kuai [2020] No.10) (《關於印發<新冠肺炎疫情相關租金減讓會計處理規定>的通知》(財會[2020]10號)) and the Questions and Answers on the Implementation of Accounting Standards for Enterprises (《企業會計準則實施問答》), which was published on 11 December 2020) in 2020. The Group has adopted the above Notice and Questions and Answers to prepare the financial statements of 2020, and the impact of adoption on the Group and the Company's financial statements are as follows:

(1) Accounting Treatment of COVID-19-Related Rent Concessions

For rent concessions that was directly caused by COVID-19, reached with the lessee and the lessor respectively, and affects only the payments due before 30 June 2021, the Group and the Company have adopted the simplified method stated in the above Notice for accounting treatment when preparing the financial statements of 2020.

(2) Questions and Answers on the Implementation of Accounting Standards for Enterprises

Unit: RMB thousand

Changes in accounting policies and their reasons	Names of affected statements items	Affected amount (2019)	
		The Group	The Company
The Group and the Company reclassified the contract asset impairment loss originally included in the credit impairment loss items into the asset impairment loss items.	Credit impairment losses	(1,189)	-
	Asset impairment losses	1,189	-

Whether there are corporate bonds

Yes No

Whether the Company has continuous deficit in recent two years

Yes No Not Applicable

CHAPTER II SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

II. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE GROUP FOR THE LAST FIVE YEARS

Unit: RMB thousand

Consolidated income statement items	For the year ended 31 December					
	2020	2019	(Changes) from the previous year to this year	2018	2017	2016
Revenue	94,159,083	85,815,341	9.72%	93,497,622	76,299,930	51,111,652
Operating profit	7,439,627	5,838,747	27.42%	6,477,005	4,171,685	1,202,884
Profit before income tax	7,290,406	5,613,874	29.86%	6,683,558	4,409,241	1,702,051
Income tax expenses	1,278,666	3,103,761	(58.80%)	2,615,103	1,250,826	967,068
Net profit	6,011,740	2,510,113	139.50%	4,068,455	3,158,415	734,983
Including:						
Net profit attributable to Shareholders and other equity holders of the Company	5,349,613	1,542,226	246.88%	3,380,436	2,509,242	539,660
Profit or loss attributable to minority Shareholders	662,127	967,887	(31.59%)	688,019	649,173	195,323
Net profit attributable to Shareholders and other equity holders of the Company after deducting non-recurring profit or loss	342,887	1,241,479	(72.38%)	2,258,609	1,367,068	511,420

Unit: RMB thousand

Consolidated assets and liabilities items	As at 31 December					
	2020	2019	(Changes) from the previous year to this year	2018	2017	2016
Total current assets	67,141,741	90,023,127	(25.42%)	81,902,959	59,001,923	53,352,031
Total non-current assets	79,069,770	82,084,394	(3.67%)	76,981,004	71,602,456	71,262,717
Total assets	146,211,511	172,107,521	(15.05%)	158,883,963	130,604,379	124,614,748
Total current liabilities	60,895,028	70,551,310	(13.69%)	73,137,289	51,421,759	46,249,215
Total non-current liabilities	31,462,639	46,518,233	(32.36%)	33,343,686	35,945,186	39,230,741
Total liabilities	92,357,667	117,069,543	(21.11%)	106,480,975	87,366,945	85,479,956
Total equity attributable to Shareholders	53,853,844	55,037,978	(2.15%)	52,402,988	43,237,434	39,134,792
Equity attributable to Shareholders and other equity holders of the Company	44,017,516	39,253,886	12.14%	37,324,999	32,460,927	29,285,970
Minority interests	9,836,328	15,784,092	(37.68%)	15,077,989	10,776,507	9,848,822

CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB thousand

Consolidated cash flow items	For the year ended 31 December					
	2020	2019	(Changes) from the previous year to this year	2018	2017	2016
Net cash flows from operating activities	12,810,486	3,538,522	262.03%	140,732	4,464,831	2,341,619
Net cash flows from investing activities	(3,538,804)	(9,084,157)	61.04%	(4,401,930)	(1,769,557)	(6,854,655)
Net cash flows from financing activities	(6,539,564)	3,613,642	(280.97%)	9,295,766	(3,537,153)	7,511,046

Key financial indicators	(Changes) from the previous year to this year					
	2020	2019	2018 (Note)	2017	2016	
Basic earnings per share attributable to Shareholders of the Company (RMB)	1.41	0.37	281.08%	0.92	0.81	0.14
Diluted earnings per share attributable to Shareholders of the Company (RMB)	1.41	0.37	281.08%	0.92	0.81	0.14
Net cash flows from operating activities per share (RMB)	3.57	0.99	260.61%	0.05	1.50	0.79
Net assets per share attributable to Shareholders and other equity holders of the Company (RMB) (Total shares based on ordinary shares outstanding at the end of the year)	12.24	10.95	11.78%	12.50	10.88	9.83
Weighted average return on net assets (%)	14%	4%	10%	10%	8%	2%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	0.19%	3%	(2.81%)	7%	4%	1%

Note: As the Company implemented the increase in capital from capital reserve into share capital in 2019, various earnings per share data in 2018 were adjusted for the latest share capital pursuant to the relevant accounting standards.

CHAPTER II
SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

III. KEY FINANCIAL INDICATORS OF THE GROUP BY QUARTER DURING THE REPORTING PERIOD

Unit: RMB thousand

	2020			
	The first quarter	The second quarter	The third quarter	The fourth quarter
Revenue	15,852,177	23,579,630	24,160,147	30,567,129
Net profit attributable to Shareholders and other equity holders of the Company	(641,450)	458,653	880,358	4,652,052
Net profit attributable to Shareholders and other equity holders of the Company after deducting non-recurring profit or loss	(539,324)	303,059	431,854	147,298
Net cash flows from operating activities	(1,443,955)	3,686,866	6,148,785	4,418,790

Significant differences exist between the above financial indicators or their sums and the related financial indicators in the quarter reports and semi-annual reports disclosed by the Company

Yes No

CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

IV. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS OF THE GROUP FOR THE LATEST THREE YEARS

Unit: RMB thousand

Items	2020	2019	2018
(Losses)/gains on disposal of non-current assets	(91,808)	(3,905)	1,347,841
Government grants recognised in profit or loss for the current period	712,117	893,366	386,822
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment income arising from disposal of other equity investments, other debt investments, and other non-current financial assets, and gains or losses from changes in fair values of investment properties subsequently measured at fair value, except for the effective hedging activities relating to the Group's ordinary activities	544,929	(217,160)	(442,899)
Reversal of impairment provision for accounts receivable tested for impairment separately	27,385	6,521	-
Net gains from disposal of long-term equity investments	4,427,236	352,525	113,061
Other profit/loss items defined as non-recurring profit/loss items	-	-	(158,226)
Other non-operating income and expenses other than the above items	(28,845)	(158,785)	259,462
Effect of income tax	(335,163)	(207,787)	(360,164)
Effect of minority interests (after tax)	(249,125)	(364,028)	(24,070)
Total	5,006,726	300,747	1,121,827

Reasons and explanations on the Company defining the non-recurring profit or loss items as defined under the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-Recurring Profit or Loss (the “Explanatory Announcement No. 1”) and the non-recurring profit or loss items which are listed as non-recurring profit or loss items under the requirements of the Explanatory Announcement No. 1 as recurring profit or loss items.

Applicable Not Applicable

The Company did not define the non-recurring profit or loss items as defined and listed under the Explanatory Announcement No. 1 as recurring profit or loss items during the Reporting Period.

CHAPTER II SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

V. ITEMS AT FAIR VALUE

Unit: RMB thousand

	Balance at beginning of the Year	Profit or loss arising from changes in fair value for the Year	Cumulative changes in fair value recognised in equity	Impairment provisions accrued for the Year	Balance at end of the Year
Financial assets:					
1. Financial assets held for trading	415,503	(50,902)	-	-	198,279
2. Derivative financial assets and other non-current financial assets	175,425	590,341	-	-	870,548
3. Investments in other equity instruments	1,373,385	-	386,243	-	1,171,358
4. Receivables financing	1,236,504	-	-	-	1,544,177
5. Other debt investments	31,272	-	-	-	-
Sub-total of financial assets	3,232,089	539,439	386,243	-	3,784,362
Investment properties	2,769,715	(30,767)	-	-	1,437,970
Total	6,001,804	508,672	386,243	-	5,222,332
Financial liabilities	(403,706)	(363,819)	-	-	(767,525)
Total	5,598,098	144,853	386,243	-	4,454,807

The lower of the Company's net profit before and after non-recurring profit or loss for the latest three accounting years was negative and there were uncertainties in the Company's ability to continue as a going concern as stated in the latest auditor's report

Yes No

The lower of the net profit before and after non-recurring profit or loss was negative

Yes No

CHAPTER II
SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

VI. DIFFERENCES IN ACCOUNTING INFORMATION UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

1. Differences in net profits and net assets prepared under International Accounting Standards and CASBE
 Applicable Not Applicable
2. Differences in net profits and net assets prepared under foreign accounting standards and CASBE
 Applicable Not Applicable
3. Reason for differences in accounting data under domestic and foreign accounting standards
 Applicable Not Applicable

CHAPTER III

CHAIRMAN'S STATEMENT



Mai Boliang
Chairman

DEAR SHAREHOLDERS,

The year 2020 was an exceptional one for the global economy. The sudden outbreak of the COVID-19 had a huge impact on global economic activities. 2020 saw an array of risk control measures implemented by CIMC to combat the epidemic. The Group Decision-making Committee for the Special Period was promptly established at the beginning of the year to take a series of extraordinary operating and control measures, which were resolutely implemented. With the concerted efforts of staff, the Group has overcome difficulties and challenges and achieved quality growth through optimization in strategic planning, business focus, disposal of inefficient assets and implementation of major strategies. Despite the loss-making position of net profit attributable to the Company in the first half of the year, the Group's results bottomed out that the

operating cash flow increased significantly as well as revenue and profit reached new highs. These were made possible due to the implementation of control measures by the Group during the special period and the recovery of the container market from the end of the third quarter onwards. The Group has delivered satisfactory results to shareholders under the severe circumstances rarely seen in history. The 2020 operation is summarised in eight highlights, which are briefly described below:

CHAPTER III CHAIRMAN'S STATEMENT

1. Maintain profit growth and cash dividends as usual in the special period

In 2020, the Group's revenue amounted to RMB94.159 billion (2019: RMB85.815 billion), representing a year-on-year increase of 9.72%; the net profit attributable to shareholders and other equity holders of the Company amounted to RMB5.350 billion (2019: RMB1.542 billion), representing a year-on-year increase of 246.88%; and the basic earnings per share amounted to RMB1.41 (2019: RMB0.37), representing a year-on-year increase of 281.08%. The Group always focuses on returns to shareholders and has paid dividends to them for successive years. In 2020, the Group paid a dividend of RMB0.28 per share in cash to shareholders.

In 2020, under the strategic tone of "stabilizing operation to achieve quality growth", the Group exerted concerted efforts to operate business intensively and in a pragmatic way, focusing on expansion of the domestic market while seeking opportunities in the global market. The Group explored opportunities in industries that the Group has advantages and which are promising in China. All business segments have achieved rapid recovery and steady development after fending off the impact from the COVID-19.

The Group's container manufacturing business benefited from the country's efforts to ensure stability of the global supply chain plus the continued stabilisation and recovery of foreign trade, resulting in a new trend of rising volumes and prices and consequently a significant increase in profits. Under the Longteng Plan (龍騰計劃), the Group's standard dry containers business achieved rapid improvements in production and efficiency. The successful delivery of Nantong CIMC's "smart manufacturing" SPIC fully integrated energy storage project in August marked a solid step forward towards integrated equipment for the traditional special container business.

Our CIMC Vehicles has launched a number of new vehicle models as part of the Group's efforts to promote the "domestic circulation". The construction and upgrade of "lighthouse factories" in China were carried out continually as evidenced by the completion of CIMC Tong Hua's digital semi-trailer factory and the first phase of the "Tianqi Project" (天啓工程) of Lingyu Automobile being put into production, indicating the entry into a new era of green manufacturing.

Our CIMC Enric deepened its presence in the whole industry chain of natural gas storage and transportation equipment and has secured a number of large orders. CIMC Enric propelled the application of hydrogen energy through strategic cooperation with Baowu Clean Energy and Hexagon of Norway to undertake the research and development of liquefied hydrogen storage and transportation equipment, a key national project. It has acquired all equity interest in McMillan, a world-renowned supplier of copper distillation and brewing equipment, to consolidate its ability in supplying the whole value chain of the distilled liquor industry. CIMC's tank container lining treatment plant was put into trial production, contributing to the localization of the chip and semi-conductor industry and the development of 5G technology in China.

CHAPTER III CHAIRMAN'S STATEMENT

In respect of the Group's offshore engineering business, the "Blue Whale No. 2" of CIMC Raffles has contributed to the second phase of trial mining of combustible ice in China, setting two world records. The Group continued to broaden applications of marine engineering equipment, and launched the 400Mw offshore booster station project, marking its formal entry into the wind power market; signed the agreement on the "Mirage (海市蜃樓)" project, the world's first cultural tourism super-complex of its kind; kicked off production of the first batch of aquaculture cages under the "100 Cages Plan" (百箱計劃). During the year, a number of important products were successfully delivered, including the world's largest salmon deep-water breeding vessel, large intelligent recreational fishery cages, China's first 5G-enabled marine ranch platform and seafood breeding cage, and the largest multi-purpose roll-on/roll-off ship in Asia.

The Group's boarding bridge business, a sub-segment of the airport business, secured a substantial volume of orders at the Philippine Airport in early 2020, as domestic sales continued to grow steadily, amid rapid increases in profits. The fire and rescue vehicle business has become the largest fire truck producer in China, and subsequently made considerable headway with business integration. Furthermore, we deepened our partnership with Mercedes-Benz Daimler Trucks on fire safety businesses. The automated logistics business provides food operators with unprecedented low temperature automated multipurpose cold storage facilities.

The Group's logistics services business continued to invest more in the multimodal transport network, control of core resources and market development, with revenue exceeding RMB10 billion in 2020 for the first time in its history. The Group's container throughput of 15 million TEUs has remained the first position in China. It formed strategic cooperation with Baowu Logistics Assets, CRCT, and Shanghai, Tianjin and Qingdao ports. More than 20 international and domestic railway trains, including Xiaogan – Northeast and Xuzhou – Moscow were successfully launched for operation. A network of tens of yards including terminals in Thailand, Malaysia and Ningbo and Lanzhou railway station were newly built.

CIMC Financial Leasing Company and CIMC Finance Company, subsidiaries of the Group, took various measures to strengthen financial services and support to industries during the special period, effectively satisfying the capital needs of enterprises and continuously optimising the risk control model to ensure the safety of the Company's assets. CIMC Finance Company received approval from the national financial regulator for its RMB and foreign exchange derivatives business qualifications and carried out such business.

CHAPTER III CHAIRMAN'S STATEMENT

2. Integrate resources for upgrade and optimise the industrial structure

In order to synergise and integrate its own resources, accelerate the optimisation of its industrial structure, focus on its main business and create synergies, the Group has integrated a number of quality enterprises of the same category to form future potential businesses such as the unit load business and modular business. The unit load business was carried out to implement the Group's strategy of "focusing on intelligent logistics equipment". The business includes research and development, manufacturing, leasing and operation, and multimodal transport, etc. It mainly focuses on the provision of research and development, manufacturing, leasing and operation, and packaging integrated solutions of professional unitized logistics carriers for the automotive, liquid chemical and rubber industries. In terms of the modular business, the Group built modular flats for healthcare workers in the Third People's Hospital of Shenzhen, and delivered a large isolation centre project to Hong Kong, contributing to the fight against COVID-19 there. The Group also built a number of schools, helping Shenzhen to release the pressure of degree availability.

In the meantime, the Group actively optimised its industrial structure, upgraded its business development model and actively developed its cold chain business in line with market demand. The Group has established a cold chain logistics service company specialising in cross-border fresh food transportation, which will provide one-stop cross-border cold chain transportation services by sea and land. The Group has developed a series of cold chain logistics equipment so far, including reefer containers, refrigerated trailers, refrigerated van bodies, small cold chain logistics equipment, smart cold chain logistics and warehousing system and mobile cold warehouse. CIMC's cold chain business is now performing strongly, gradually covering the "first" and "last" kilometres of the cold chain logistics industry. In 2020, the Group's cold chain business has successfully developed the "vaccine multimodal storage and transport cabin", available for use by means of land, sea and air. The Group is one of the first batch of key contact enterprises for vaccine transportation announced by the Ministry of Transportation and Communications of the PRC.

CHAPTER III CHAIRMAN'S STATEMENT

3. Shenzhen Capital Group's acquisition of equity interest in CIMC becomes the starting point of its new historical journey

China Merchants Group and China Ocean Shipping (Group) Company, as the top two indirect shareholders of the Group since its establishment, have been supportive of the Group's business development and growth throughout its history. In December 2020, Shenzhen Capital Group, a subsidiary of the Shenzhen SASAC, completed its acquisition of equity interest in the Group and became the largest shareholder of CIMC. That is a milestone for the future development of the Group as well as the starting point of a new historical journey of CIMC. Under the new shareholder structure, CIMC will continue to strive to improve its operating results and further strengthen in-depth collaboration with its substantial shareholders. The Group looks forward to closer cooperation with the Shenzhen SASAC in the future and the start of CIMC's second growth curve.

4. CIMC Chancheng succeeds in introducing strategic investor with focus on core industries

CIMC Chancheng continued to uphold its strategy of "one body two wings, light and heavy go hand in hand" to cultivate two key regions, namely the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta, with steady growth in revenue in the first three quarters. As at the end of the third quarter, Country Garden Real Estate Group Co., Ltd. ("**Country Garden**") continued to increase its equity interest in CIMC Chancheng and Xi'an Qujiang Cultural Industry Investment (Group) Co., Ltd. ("**Qujiang Cultural Industry Investment**") was successfully introduced as a strategic investor of CIMC Chancheng. These have expanded the net assets and cash flow of CIMC Chancheng and were conducive to its rapid development, which in turn allowed it to capture a greater market share in the competitive industry. After the successful another introduction of strategic investor, the Group's operating results improved with more efforts concentrated on two major industries, namely logistics and energy.

CHAPTER III CHAIRMAN'S STATEMENT

5. Leverage the market to strengthen capital operation

The Group's segments are actively leveraging the capital market to explore the transformation and upgrade of traditional manufacturing. In July 2019, CIMC Vehicles was officially listed on the Hong Kong Stock Exchange, making it the first semi-trailer manufacturing enterprise in the Hong Kong stock market. CIMC Vehicles proposed to be listed on the ChiNext Market of Shenzhen Stock Exchange in 2020. Its application for A share offering has been approved by the Listing Committee of the ChiNext Market of Shenzhen Stock Exchange and is currently pending submission to the China Securities Regulatory Commission for registration. CIMC Safeway Technology Co., Ltd (中集安瑞環科技股份有限公司), a subsidiary of CIMC Enric, intended to carry out separate A-shares listing and obtained the approval of proposed spin-off from Hong Kong Stock Exchange. The privatisation of CIMC TianDa by way of a scheme of arrangement has commenced since early October 2020 and CIMC TianDa was formally delisted from the Hong Kong Stock Exchange on 25 January 2021. Various business segments of the Group have actively optimised the allocation of resources leveraging the capital market, thereby promoting the quality development of the Group. It has contributed to the integration of business structures, improvement in operational efficiency, alleviation of financial pressure, expansion of financing channels and optimisation of corporate governance.

6. Deepen technology research and development capabilities, and the champion products continue to make efforts

In 2020, the Group applied for 247 invention patents. By the end of the Reporting Period, the Group had 2,728 valid patents, namely: 1,869 utility model patents, 799 authorized invention patents, 53 design patents and 7 patents for invention applications. By relying on our strong R&D strength and intellectual property protection capability, we can turn our leading technologies into competitive advantages for our customers. The Group also is the home to the National Energy Offshore Oil Drilling Platform Research and Development (Experiment) Center and Offshore Construction R&D National Engineering Laboratory; it has set up 47 group-level technical centers, including 2 State-level Technology Centers for Enterprises, and 6 Provincial-level Centers for Enterprises. By the end of 2020, the Group has 30 subsidiaries recognized as high-tech enterprises in China and 5 post-doctoral research stations. Meanwhile, the Group has been the world champion in the container field for 22 consecutive years since it first became the world champion in 1996. In addition, after years of development, the Group has successively achieved the world's largest production and sales volume in 24 product segments, including refrigerated containers, container trucks and cryogenic gas trucks. In 2020, our boarding bridges and freight semi-trailers are officially recognized by MIIT as "Champion Products", and Yantai CIMC Raffles Offshore Limited (hereinafter referred to as "**Yantai Raffles**"), CIMC Safeway Technology Co., Ltd (hereinafter referred to as "**CIMC Safeway**", formerly known as "**Nantong Tank**"), Qingdao CIMC Reefer Container Manufacture Co., Ltd. (青島中集冷藏箱製造有限公司) (hereinafter referred to as "**QDCRC**") are officially recognized by MIIT as "Champion Demo Enterprise". We will promote the development and transformation of CIMC's business in an innovative way and build a sustainable development platform together.

CHAPTER III CHAIRMAN'S STATEMENT

7. Strengthen risk control management to support strategic development

The Group's risk control effort has been focused on the positioning of "serving strategy, supporting operation, and adding value to the organization". It has taken multiple measures simultaneously with strengthening major risk management as the main line to promote the construction of a comprehensive risk system step by step. In 2020, during the epidemic period, the Company continued to promote the construction of the risk control environment of "knowing red line and keeping bottom line" and implemented the "Principal Project" of risk control; promoted special management of major risks at the level of organization, mechanism and process to solve the pain spots and difficult points of business; relied on the risk control information platform to regularly send the Risk Control Information Bulletin, the Risk Control Board, etc. to strengthen the "horizontal to edge and vertical to bottom" risk communication, self-check and rectification mechanism at all levels; continuously developed a series of risk control guides, supporting cases and learning courseware, improved the key position personnel library, implemented the certificate-based position mechanism. In addition, we tried to promote digital risk control and gradually realize the risk control and management mode of pre-warning and monitoring through key business risk control modeling, so as to promote the transformation of risk control and support the Group's quality growth.

8. ESG sustainable development, reflecting green development and social responsibility

The Group actively fulfilled the development concept of "Lucid waters and lush mountains are invaluable assets" and carried out its work around "deepening responsible management, contributing to global logistics, coping with climate changes and demonstrating corporate care". In 2020, the Group has newly built 2 national green factories. At present, the Group has established 8 national, provincial and municipal green factories, 3 national and provincial green supply chain management demonstration enterprises. Meanwhile, the Group vigorously developed and promoted green products and services, such as lightweight vehicles, new energy vehicles, LNG natural gas clean energy equipment, recyclable logistics pallets, etc. In 2020, when the epidemic was raging, the Group leveraged its business strengths to build mobile CT cabins for medical oxygen equipment in Hubei; transport medicine and medical equipment to Hubei and other places; quickly build modular apartments for medical staff of Third People's Hospital of Shenzhen; deliver 810 isolation wards to Hong Kong within 2 months; and donate 70,000 masks to Shenzhen Charity Association. At the same time, in order to fulfill the commitment to its customers and guarantee the timely delivery of the Group, our staff were bravely "retrograde" overseas, among which 15 employees of Sinopacific Offshore & Engineering Co., Ltd. (南通中集太平洋海洋工程有限公司) went to Bangladesh to carry out overseas hoisting of LEG tanks, 24 employees of Jingmen Hongtu went to Africa to build spherical cans and ancillary site projects.

CHAPTER III CHAIRMAN'S STATEMENT



CARRY FORWARD THE PAST AND FORGE AHEAD INTO THE FUTURE

In 2020, the Group adhered to the strategy of “stabilizing operation to achieve quality growth”, focusing on the two major industries of logistics and energy, optimizing the business portfolio, disposing of inefficient assets, improving the level of asset returns, and pursuing high-quality development. By strengthening scientific and technological innovation, product intelligence, business model innovation and other measures to enhance the comprehensive competitive strength of the enterprise, the brand value of the Group continued to improve in

2020, ranking 118 on the Top 500 List of Fortune China. While accelerating qualitative growth, the Group focused on domestic demand, services, and innovative business opportunities, which presented a perfect ending for 2020.

The year of 2021 marks the 100th anniversary of the founding of CPC, which is not only the beginning year of the National “14th Five-year Plan”, but also the first year in which the CIMC staff embark on the “second Entrepreneurship” journey. Taking Shenzhen Capital Group’s acquisition of equity interest in CIMC as a new starting point, the Group is in the critical stage of transformation and upgrading and defining new strategic plan. In line with the national 14th Five-Year Plan and the Long-Range Objectives Through the Year 2035, and under the new development pattern of “double circulation”, in 2021, CIMC will seize the historic opportunity of Shenzhen’s “dual zone” construction to adapt to the new development pattern of “double circulation” of the country. The Group will respect the times, reverence the market, tap the potential of the domestic market, carry forward the spirit of the SAR of daring to make attempts, daring to be the first, and working hard. The Group will formulate strategies based on the market, with strategies determining the organization, and the organization serving strategies. We will resolutely implement business-oriented development methods, improve performance achievement rate, think proactively and act quickly, so as to continue to contribute CIMC’s wisdom and solutions to the country and Shenzhen. New CIMC, start again!

I would like to express my gratitude to all shareholders, stakeholders and all walks of society who have been paying attention and support to CIMC!

Mai Boliang
Chairman
Shenzhen, the PRC
March 2021

CHAPTER III
CHAIRMAN'S STATEMENT

MAIN BUSINESS SEGMENTS

Logistics



Container
Manufacturing
Business



Road
Transportation
Vehicles Business



Airport Facilities,
Fire Safety
and Automated Logistics
Equipment Business



Logistics
Services
Business



Unit Load
Business

Energy

Energy,
Chemical
and Liquid Food
Equipment
Business



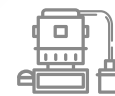
Offshore
Engineering
Business



Cold Chain
Equipment
Business



Modular
Building
Business



Innovative Business

CHAPTER IV

REPORT OF THE BOARD

I. BUSINESS SUMMARY

The Group is a world leading equipment and solution provider in logistics and energy industries, and its industry cluster mainly covers logistics and energy fields. In the logistics field, the Group still adheres to taking container manufacturing business as its core business, based on which to develop road transportation vehicles business, airport facilities/fire safety and automated logistics equipment business and to a lesser extent, logistics services business and unit load business; in the energy field, the Group is principally engaged in energy/chemical and liquid food equipment business and offshore engineering business; meanwhile, the Group also continuously develops emerging industries and has finance and asset management business that serves the Group itself.

Currently, the Group is principally engaged in the manufacture of containers, road transportation vehicles, energy/chemical and liquid food equipment, offshore engineering equipment, airport facilities/fire safety and automated logistics equipment as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, and the design, manufacture and services of automated logistics system and intelligent parking system. The multi-dimensional industry cluster of the Group aims to provide the logistics and energy industries with high quality and reliable equipment and services, provide the Shareholders and employees of the Company with good returns and create sustainable values for the society.



One of the leading high-end offshore engineering equipment enterprises in China



No. 1 semi-trailer manufacturer in the world in terms of sales volume



Production and sales of standard dry containers, reefer containers, and special-purpose containers ranking No.1 globally



Production and sales of tank containers ranking No.1 globally



One of the world's three largest passenger boarding bridge manufacturers, with its market share in China reaching more than 95% for five consecutive years

CHAPTER IV REPORT OF THE BOARD

Currently, the Group is ranked No. 1 in the world in terms of production and sales of standard dry containers, reefer containers and special-purpose containers; according to statistics from the International Tank Container Organisation, the production and sales of tank containers is ranked No. 1 in the world; the Group is the top semi-trailer manufacturer in the world; the Group's comprehensive competitiveness in boarding bridge business ranks among the world's leaders, as one of the world's three largest passenger boarding bridge manufacturers, and its market share in China has reached more than 95% for five consecutive years; and the Group is also one of the leading high-end offshore engineering equipment enterprises in China.

During the Reporting Period, CIMC Chancheng became an associate of the Group upon completion of its secondary introduction of strategic investment in October 2020. Apart from that, there was no material change in the principal business model of the Group. During the Reporting Period, the products and businesses contributing 10% or more to the Group's revenue included container manufacturing business, road transportation vehicles business, energy/chemical/liquid food equipment business and logistics services business.

II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

1. Overview

In 2020, the COVID-19 epidemic spread around the world, the blockade measures of various countries once led to a massive economic shutdown and soaring unemployment, the US-China trade tension continued and global economic and trading activities had been faced with various uncertainties. The year 2020 was the last year of the 13th Five Year Plan, and the crucial year of achieving the goal to finish the building of a society of initial prosperity in all aspects and double China's 2010 GDP and per capita income for urban and rural residents. Benefiting from the Chinese government's continued coordination of epidemic prevention and control and economic and social development, the Belt and Road Initiative, the supply-side reform and a basket of consumption policies, life and production of the whole country gradually resumed to normal; industrial and service sectors continued to recover; investment and consumption improved steadily; the national economy was on the trend of stable recovery.

CHAPTER IV REPORT OF THE BOARD

During the Reporting Period, the Group's revenue amounted to RMB94.159 billion (2019: RMB85.815 billion), representing a year-on-year increase of 9.72%; the net profit attributable to shareholders and other equity holders of the Company amounted to RMB5.350 billion (2019: RMB1.542 billion), representing a year-on-year increase of 246.88%; and the basic earnings per share amounted to RMB1.41 (2019: RMB0.37), representing a year-on-year increase of 281.08%. Among the principal businesses of the Group, container manufacturing business, road transportation vehicles business, offshore engineering business, airport facilities/fire safety/automated logistics equipment business, logistics services business and industrial city development business achieved growth in their revenues; the finance and asset management business remained relatively stable in revenue; and the energy/chemical/liquid food equipment business and heavy trucks business saw a decline.

Consolidated Operating Results

Unit: RMB thousand

	2020	2019	Percentage change
Revenue	94,159,083	85,815,341	9.72%
Operating profit	7,439,627	5,838,747	27.42%
Net profit attributable to shareholders and other equity holders of the Company	5,349,613	1,542,226	246.88%
Net cash flows from operating activities	12,810,486	3,538,522	262.03%
Net increase/(decrease) in cash and cash equivalents	2,550,355	(1,872,868)	236.17%

CHAPTER IV REPORT OF THE BOARD

2. Review of Operations of Major Business Segments

Through business expansion and technology development, the Group has formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

(I) In logistics field:

- **The Group adheres to taking container manufacturing business as our core business**

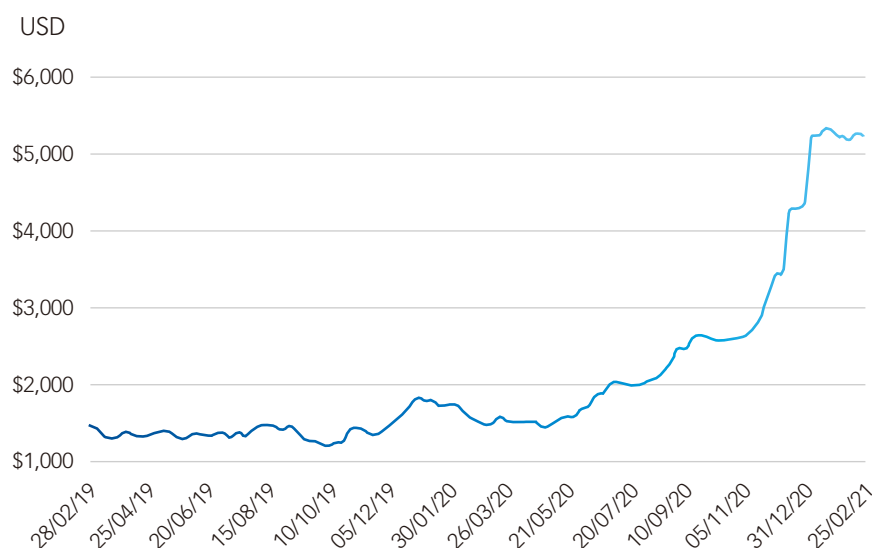


The Group's container manufacturing business mainly consists of standard dry containers, reefer containers and special-purpose containers. The Group has the capacity to produce a full series of container products with independent intellectual property rights. Special-purpose containers mainly include North American domestic 53-foot containers, European pallet wide containers, bulk containers, special-purpose reefer containers, flatracks and other products. During the Reporting Period, the Group remained No. 1 in the industry in terms of production and sales of containers.

In 2020, the global economy and trade slumped in the first half due to the shock of COVID-19; container demands hit the bottom accordingly, with customers reducing the purchase of new containers; the Group's container manufacturing business experienced dramatic year-on-year decline. In the second half of the year, the overseas market witnessed strong demands but weak production under the impact of the stimulus policy of Europe and the United States and the continual resurgence of COVID-19 in countries around the world. China, in contrast, became the most stable link in the global supply chain with the complete industry chain and supply chain and the recovered productivity after the rapid and effective pandemic control, which comprehensively boosted China's exports and stimulated the strong recovery of container trade. Driven by the demand from downstream transportation industry, the containers manufacturing industry turned around accordingly. In the second half of 2020, the export volume of the domestic containers recorded continuous growth and various sales have significantly increased since September 2020 as compared with the same period last year. At the same time, under the impact of the COVID-19 pandemic, the decline in the conveyance volume of ports in major countries such as Europe and the United States at the early stage has led to a reduction in the efficiency of container turnover and a structural and geographical shortage of containers available globally. Under the combined effect of these factors, container demands rebounded rapidly from the low to the level that exceeded the supply. The strong and rapid demand recovery boosted the price of dry containers and the profitability of the industry. According to the data of Drewry Shipping Consultants Limited, the World Container Index has rebounded rapidly since July 2020 and is now at a relatively high level with the container output in the whole industry recording a year-on-year increase of 10.3% in 2020.

CHAPTER IV REPORT OF THE BOARD

World Container Index – Assessed by Drewry USD per 40 ft container



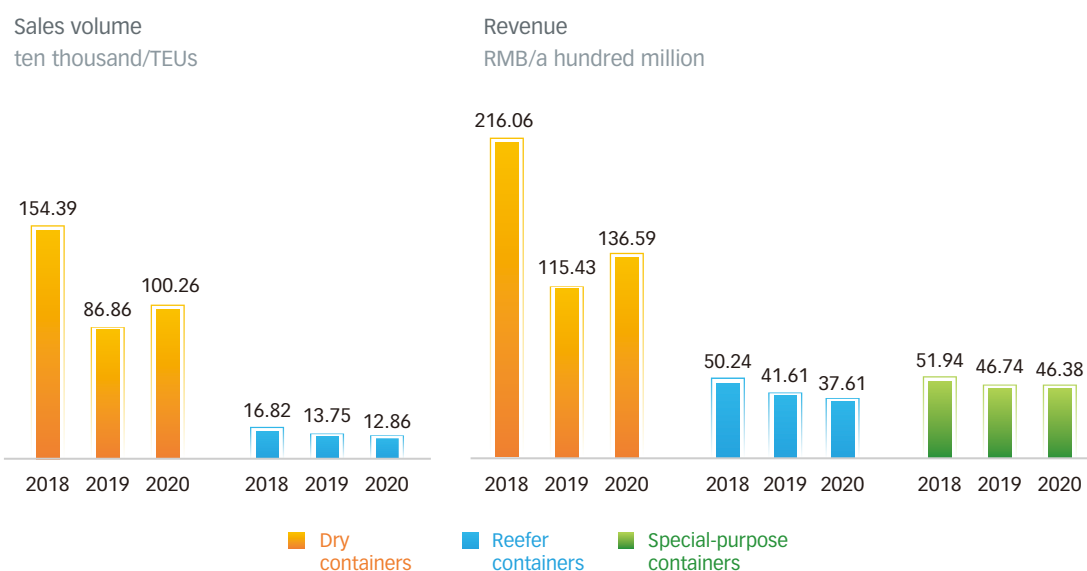
During the Reporting Period, the Group's container sales volume and sales revenue both recorded significant year-on-year increase, especially in the second half of the year, when both sales volume and price increased. In 2020, in respect of price, the average statement settlement price of the Group's twenty-foot standard dry containers was USD1,656 in January, which increased to USD1,998 in June and further increased to USD2,322 in December; in respect of sales volume, the accumulated sales volume of ordinary dry containers of the Group reached 1,002,600 TEUs (2019: 898,600 TEUs), representing a year-on-year increase of 11.57%; the accumulated sales volume of reefer containers was 128,600 TEUs (2019: 137,500 TEUs), representing a year-on-year decrease of 6.47%.

During the Reporting Period, the container manufacturing business of the Group realised a revenue of RMB22,164 million (2019: RMB20,163 million), representing a year-on-year growth of 9.92%, and recorded a net profit of RMB1,987 million (2019: RMB137 million), representing a year-on-year growth of 1349.65%. In the revenue, the sales revenue of ordinary dry containers reached RMB13,659 million (2019: RMB11,543 million), representing a year-on-year growth of 18.33%; the sales revenue of reefer containers amounted to RMB3,761 million (2019: RMB4,161 million), representing a year-on-year decrease of 9.61%; the sales revenue of special-purpose containers was RMB4,638 million (2019: RMB4,674 million), representing a year-on-year decrease of 0.77%.

CHAPTER IV REPORT OF THE BOARD

In 2020, the Group's container manufacturing business took proactive measures to cope with the shock and lasting impact of the black swan of COVID-19. At the early stage, the container segment overcame the epidemic to return to work rapidly. At the later stage, the container segment made its own contribution to the country for stabilizing foreign trade and ensuring container supply for export purposes and to the world for stabilizing the supply chain system. In the meantime, the container segment firmly promoted the innovation-driven upgrading, internal improvement and asset efficiency enhancement. The intelligent manufacturing and upgrading project for the container segment named "Longteng Plan" (龍騰計劃) completed the construction of model project and pilot project for the relevant module on schedule, and made phased progress in a series of key projects. In the significant investments, Dongguan Fenggang Phase 2 Relocation Project made adjustment to the transition and upgrading according to the market condition and the segment plan, completed the construction at the end of the year and basically had the ability to conduct new businesses.

Annual sales volume and sales revenue of container products from 2018 to 2020



CHAPTER IV REPORT OF THE BOARD

- **Expand the road transportation vehicles business:**



CIMC Vehicles (Group) Co., Ltd. (“**CIMC Vehicles**”) is the main operating entity of the Group’s road transportation vehicles business. CIMC Vehicles is a leading global high-end semi-trailer and specialty vehicle manufacturers, the main products of which include: 1) semi-trailer products in the global markets, which include the manufacture, sales and after-sales services of seven main categories of semi-trailers, namely skeletal container semi-trailers, flatbed trucks and their derivatives, curtain side semi-trailers, van semi-trailers, refrigerated semi-trailers, tank semi-trailers and other special types of semi-trailers; 2) specialty vehicle products in China, which include the manufacture of urban muck truck bodies and cement mixer truck bodies and sales of fully-assembled vehicles; 3) the production of truck bodies and sales of fully-assembled trucks of refrigerated vans.

In 2020, in terms of the domestic market, the Chinese government has proposed “a new development pattern in which domestic economic cycle plays a leading role while international economic cycle remains its extension and supplement”, which provides a wide scope for the development of sectors such as logistics and transportation (including cold chain logistics) as well as engineering and infrastructure in China, resulting in significant growth in the Group’s domestic road transportation vehicles business. In terms of overseas markets, the epidemic has resumed in many countries and the global economy is resultingly under downward pressure. However, the overall business of the Group’s road transportation vehicles picked up in the second half of the year, thanks to its business model of “transoceanic management and local manufacturing”, with solid business performance delivered.

During the Reporting Period, 131,327 (2019: 117,707) semi-trailers of various types were sold around the world, representing a year-on-year increase of 11.57%, and 56,449 (2019: 46,267) truck bodies for specialty vehicles and 6,049 (2019: 4,455) refrigerated van bodies were sold in China by CIMC Vehicles, representing a year-on-year increase of 22.01% and 35.78%, respectively. The total revenue was RMB26.499 billion (2019: RMB23.335 billion), representing a year-on-year increase of 13.56%; the total net profit realized was RMB1.269 billion (2019: RMB1.303 billion), representing a year-on-year decrease of 2.60%.



Sale volume of all categories of semi-trailers in the world

131,327 units



Sale volume of truck bodies for specialty vehicles in China

56,449 units



Sale volume of refrigerated trailers in China

6,049 units

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Since 2014, CIMC Vehicles has been building a “high-end manufacturing system” and has now built 13 “lighthouse” factories for semi-trailers production, 6 “lighthouse” factories for production of truck bodies for specialty vehicles and 2 “lighthouse” factories for production of refrigerated van bodies, both within and outside the PRC.

- (1) In terms of the global semi-trailer business, as a world top semi-trailer manufacturer, the “lighthouse” plants for semi-trailers of CIMC Vehicles demonstrated its advantage in scale. In terms of key products such as liquid tank semi-trailers, powder tank semi-trailers, van semi-trailers and skeletal container semi-trailers, CIMC Vehicles, with its “micro-innovation”, has steadily ranked in the first tier. Meanwhile, benefiting from scale expansion of the logistics and transportation market and subject to the policies such as GB7258-2017, demand for semi-trailers in China has surged, and the revenue of CIMC Vehicles from domestic market recorded significant increase. In the overseas semi-trailer market, business recovered well in the second half of the year after being somewhat affected by the pandemic in the first half.
- (2) In terms of China’s truck bodies for specialty vehicles business which includes urban muck truck bodies and cement mixer truck bodies, in 2020, benefiting from the transformation of urban muck truck products into intelligent, environmental-friendly and light-weight ones, CIMC Vehicles took the opportunity of upgrading its product modules to jointly develop products with main machinery plants and actively upgrade its production lines, thus improved its delivery capability and customer satisfaction. In addition, in line with Chinese government’s policy of “overloading” regulation and increased investment in infrastructure, CIMC Vehicles has sold a total of 29,255 (2019: 20,980) cement mixer trucks in 2020, which hit a record high and ranked first in the Chinese market in terms of sales volume for the fourth consecutive year. CIMC Vehicles continued to expand its scale advantage as a leader in cement mixer trucks and urban muck truck modification business.
- (3) In terms of China’s refrigerated van bodies business, in 2020, due to scale expansion of the cold chain logistics market in China, the government introduced a number of policies and standards related to refrigerated trucks and encouraged the development of compliant and environmentally friendly refrigerated trucks. CIMC Vehicles enhanced its leading position in the refrigerated van bodies business, and recorded a significant increase in sales volume.
- (4) Apart from the above three core business, CIMC Vehicles also has sales business of components and parts for semi-trailers and specialty vehicles. As CIMC Vehicles actively adjusted its global supply chain management system, the supply chain of components and parts business in key markets gradually recovered in the second quarter, resulting in a good business performance for the year with revenue growth of 10% year-on-year.

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- **Expand the airport facilities, fire safety and automated logistics equipment business**



The principal businesses of the Group's airport facilities, fire safety and automated logistics system business are carried out through its subsidiary CIMC-TianDa Holdings Company Limited ("**CIMC TianDa**"). On 25 January 2021, the listing of the shares of CIMC TianDa on the Hong Kong Stock Exchange was withdrawn after privatisation by way of a scheme of arrangement.

During the Reporting Period, the airport facilities, fire safety and automated logistics system business of the Group recorded a revenue of RMB6,089 million (2019: RMB5,962 million), representing a year-on-year increase of 2.12%; and a net profit of RMB324 million (2019: RMB253 million), representing a year-on-year increase of 28.00%.

- (1) **Airport facilities business:** In the second half of 2020, as the economy gradually recovered, the civil aviation industry was basically restored to the level of the same period before epidemic while the delivery and installation of boarding bridges and bridge-mounted equipment, which were delayed due to the COVID-19 outbreak, have been substantially completed as originally scheduled for the year under intensifying work efforts made in the second half of the year, thus maintaining a good trend of the business. However, the overseas markets were still affected by the epidemic to varying degrees, resulting in the progress of some overseas projects still lagging behind. Operating income for the business was essentially flat.
- (2) **The fire and rescue vehicle business:** Sales revenue and profit in 2020 recorded a decrease from the level of last year as a result of the effect from insufficient supply of raw materials, especially the imported chassis, disrupted overseas logistics and postponed tenders by customers. CIMC TianDa, completing the acquisition of equity interest in Shanghai Jindun Special Vehicle Equipment Co., Ltd., Shenyang Jietong Fire Truck Co., Ltd and Ziegler in 2019, has become the largest domestic fire truck group whose strategic layout in respect of market, product and production has been improved accordingly. In addition to the integration, the Group is actively engaged in the research and development of various high-end fire vehicles. It launched its self-developed 72-meter multi-purpose aerial platform truck (which can reach a height of more than 20 floors) to the market at the end of this year, which was interested by many provincial and municipal fire-fighting units in China for procurement. In addition, the 42-meter multi-purpose ladder truck developed by the Group was stationed at Lhasa Gonggar Airport for the first time this year and put into service in the cold and high-altitude snowy plateau, being the first batch of domestic-made 40+ meters airport aerial fire trucks of in China.
- (3) **The automated logistics systems business:** The Group continued to consolidate the logistics business unit vigorously, remained focused on the business and market. While improving project management, the Group developed competitive advantages of professionalism and high-efficient delivery. The projects that were delayed due to the COVID-19 epidemic have resumed in the second half of 2020 and, with the exception of a few projects, are basically on track to meet the original schedule. The automated logistics system business recorded a higher revenue growth for the year due to the rapid recovery of the e-commerce industry.

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- **Leveraging the logistics services business**



The logistics services business of the Group is committed to becoming the leader characterized by “equipment + service” in multimodal transport industry in the PRC, focusing on the multimodal transport network layout of major domestic seaports, Yangtze River ports, railway hub stations and major international routes. By conducting businesses of combined container transport, professional logistics, station operation and ecological support, the Group endeavors to build a multimodal transport development model combining containers, goods and yards with railway stations as the foundation, equipment as the support, and cargo control as the core.

In the first half of 2020, countries hit by the epidemic were faced with economic downturn, which led to declining overall demands for international multimodal transport and project logistics. Consequently, each major business was affected to different extent. In the second half of 2020, overall logistics services business gradually improved as the epidemic was effectively controlled and the country released policies to encourage the development of import and export logistics enterprises, such as stabilising foreign trade, taxes and fees reduction, and one-stop customs clearance.

During the Reporting Period, the logistics services business of the Group realised a revenue of RMB10,636 million (2019: RMB9,157 million), representing a year-on-year growth of 16.15%, and recorded a net profit of RMB266 million (2019: RMB110 million), representing a year-on-year growth of 140.57%. The increase in net profit was mainly due to the effect of gains on disposal of equity.

In 2020, the Group’s logistics services business focused on the multimodal transport and made steady progress by implementing various measures in aspects including passage network deployment, core resource control, market development and exploration of new model: the combined container transport business focused on developing railway-related businesses, including China-Europe international and domestic trains, river-rail combined transport and sea-rail combined transport, and made breakthrough in the business volume. Over 20 international and domestic railway routes were opened, such as the Xiaogan-Northeast regular train and the Xuzhou-Moscow regular train, and the capacity improved by 261%. The station operation business maintained basically same level as the prior year in terms of annual loading and unloading capacity and repair capacity, with the volume of containers coming in and out of the station remaining at the first place in the country.

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- **Rely on the unit load business as the supplementary to provide the modernized transportation and logistics with first-class products and services**



In order to realise the strategy of “focusing on smart logistics equipment”, the Group integrated member companies which were mainly engaged in the logistics vehicles business and established unit load business segment (“**CIMC Unit Load**”) in 2020. The company has three major business lines: research, development and manufacturing, leasing operation and multimodal transport, and focuses on providing comprehensive solutions of professional research, development and manufacturing, leasing operation and packaging of unitized logistics vehicles in the automobile, liquid chemical and rubber industries.

During the Reporting Period, the unit load business realised a revenue of RMB3,036 million and recorded a net profit of RMB94 million.

The business of CIMC Unit Load mainly includes vehicle manufacturing, leasing operation and multimodal transport businesses. As affected by the pandemic in 2020: (1) the vehicle manufacturing business recorded a revenue decline as compared with the same period of the previous year. But the net profit grew year on year, which was attributable to the rebound of overseas demands, the significant increase of the price and the improvement of gross margin in the second half of the year; (2) the leasing operation business was less affected by the epidemic, and the lease operation of automobile and liquid chemical gradually recovered in the second half of the year and maintained a stable operation; (3) the multimodal transport business was hit hard by the pandemic, with both revenue and net profit experiencing significant decrease. The main reasons were that: due to the pandemic, domestic ports, railway stations and other logistics points suspended operation for a period of time, which led to high costs of capacity idleness incurred on vessels, vehicles and transportation resources in this business line.

While striving to increase its share of the stock market, CIMC Unit Load is actively expanding into emerging markets. In respect of new energy vehicle market, CIMC Unit Load successfully developed a recycling packaging product for new energy power battery, which was well received by major domestic and foreign new energy battery manufacturers and orders reached saturation. In respect of rubber logistics vehicle leasing market, CIMC Unit Load successfully developed its own rubber containers with intellectual property rights, which were highly rated by customers and the leasing business grew rapidly.

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(II) In Energy field:

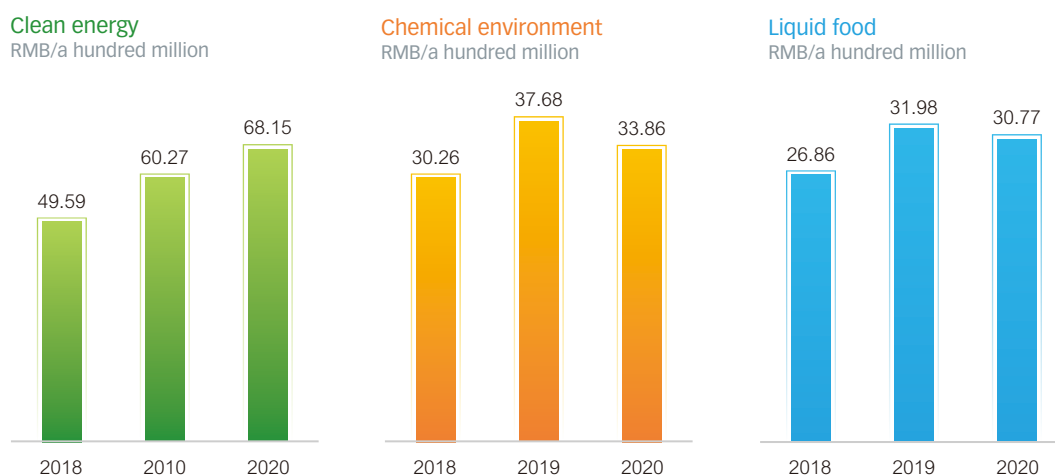
- **On the one hand, carry out energy, chemical and liquid food equipment business based on onshore resources**



The Group's energy, chemical and liquid food equipment business segment is principally engaged in the design, development, manufacturing, engineering, sales and operations of various transportation, storage and processing equipment widely used in three sectors, namely clean energy, chemical environment and liquid food, as well as provision of relevant technical and maintenance services. The main operating entity is CIMC Enric Holdings Limited ("**CIMC Enric**").

During the Reporting Period, the Group's energy, chemical and liquid food equipment business recorded a revenue of RMB13,292 million (2019: RMB15,075 million), representing a year-on-year decrease of 11.83%; the net profit amounted to RMB360 million (2019: RMB818 million), representing a year-on-year decrease of 55.96%, mainly due to the continued decline in the global market capacity for chemical tank containers as a result of the combined effects of industry cyclicality and the epidemic. Among the three major business segments of CIMC Enric, a subsidiary of the Group, the clean energy business recorded a revenue of RMB7,002 million (2019: RMB6,815 million), representing a year-on-year increase of 2.7%; the chemical environment business recorded a revenue of RMB2,027 million (2019: RMB3,386 million), representing a year-on-year decrease of 40.1%; the liquid food business recorded a revenue of RMB2,728 million (2019: RMB3,077 million), representing a year-on-year decrease of 11.3%.

Sales revenue of businesses of CIMC Enric from 2018-2020



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1. Clean energy segment

Despite the slowdown of increase in demand for natural gas in the PRC due to the impact of the epidemic and the plunge in international oil prices at the beginning of 2020, with the implementation of effective anti-epidemic measures and resumption of work and production of enterprises in an orderly manner in the PRC, the natural gas demand rebounded and showed a certain degree of resilience. It was supposed based on the data from the National Bureau of Statistics that China's natural gas consumption reach 328.9 billion cubic meters in 2020, representing a year-on-year increase of 7.6%. In particular, the consumption of liquefied natural gas (LNG) grew against the trend. According to the data from "Less Better", an energy consulting company, in 2020, the total consumption of LNG tanks in China reached 36.80 million tons, representing a year-on-year increase of 38.35%. From the perspective of consumption structure, the proportion of the consumption of LNG for vehicles and ships in the total consumption of LNG has increased for three consecutive years, and in 2020, it became China's largest LNG consumption area for the first time and reached 13.55 million tons, accounting for 37%.

CIMC Enric is China's only manufacturer of equipment manufacturing and provider of engineering services claiming full coverage of the natural gas value chain and capable of providing one-stop system solutions. It is widely recognized by customers in the industry chain. In particular, it leads the nation in terms of production and sales of industrial gas storage and transportation products such as LNG, LPG, CNG, oxygen, nitrogen and argon.

- (1) In terms of storage facilities, this segment continues to proactively participate in the construction of domestic peak shaving storage infrastructures. In 2020, it supplied 68 LNG storage tanks of 100m³ and above to Guangdong Province to help promote the coal-to-gas project of local ceramic plants and the supply guarantee of urban gas pipeline network. It also supplied 22 LNG storage tanks of 150m³ and above to the world's leading integrated glass manufacturers, contributing to the transformation of production mode, energy conservation, environmental protection, and green development of the glass industry. In addition to covering the natural gas market, the supply of industrial gas storage tanks for ethane and ethylene, etc. has also grown. In 2020, the orders of the two low-temperature ethane and propane storage facilities of 150,000 cubic meters in Zhejiang and an unconventional project of a skid-mounted facility of 60,000 cubic meters in Xinjiang were secured, and two cryogenic storage tanks of 80,000 cubic meters constructed by Lianyungang and the overseas LPG spherical tank project in Ghana were successfully capped.

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- (2) In respect of transportation facilities: it successfully developed China's first batch of large-volume standard 45-foot LNG tank containers to improve turnover efficiency and reduce customers' operating costs, and a number of commercial orders have been delivered. The first batch of LNG tank containers exported to Brazil were used for storage and transportation of raw materials for power generation by local power plants, opening up new application scenarios for LNG tank containers. As of now, the LNG tank containers of CIMC Enric enjoy a market share of more than 70% in North America and the Caribbean, and have already served Mexico and other markets in South America. In addition, benefiting from active trading of LNG during the year, the annual sales of liquid energy trucks increased significantly year-on-year.

In terms of maritime liquefied gas transportation facilities, CIMC Enric is the world leader in the market of small and medium-sized liquefied gas carriers, and its product chain covers fully-pressing as well as semi-cooling and semi-pressing carriers and LNG bunkering vessels capable of carrying various types of liquefied gases such as LPG, ethane, LEG and LNG and ranks the top in respect of the global market share. In 2020, the world's largest LNG transport bunkering vessel of 20,000m³ built by the Group was successfully launched, marking that CIMC Enric's capabilities of design, manufacturing, and project management of small and medium-sized liquefied gas carriers reached a new level.

- (3) In terms of terminal applications, in June 2020, it successfully assisted the smooth maiden voyage of China's first "oil-gas-electric" hybrid power ship, which is currently the representative of the most advanced oil-to-gas technologies of China's inland waterway vessels. The two LNG marine fuel tanks of 685m³ successfully delivered at the end of 2020 are the largest fuel tanks for double-deckers delivered in China so far, which will be loaded onto the world's largest new dual-role super Ro-Ro ship.

In particular, CIMC Enric responded to the national "carbon neutral" plan. In 2020, this segment continued to actively expand borderless cooperation in terms of hydrogen energy resources, application scenarios and technology research and development, and explored the market opportunities in all aspects including hydrogen production, hydrogen storage, hydrogen transportation, hydrogen refueling, and hydrogen use. In 2020, this segment won the bid in the "Public Bidding Project of Integrated Procurement of Equipment for Mobile Hydrogen Refueling Stations" organized by the CHN Energy, and will showcase the key technologies of wind-solar hybrid hydrogen production system at the Beijing Winter Olympics. The "Hebei Shijiazhuang Hydrogen Energy Equipment Manufacturing Industry Demonstration Base" established in 2020 was listed in the "14th Five-Year Plan" for the hydrogen energy industry of Hebei Province and Shijiazhuang City. Meanwhile, it has also negotiated and cooperated with many provinces, cities and local governments to assist the implementation of hydrogen energy development plans in these provinces and cities.

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2. Chemical environment segment

In 2020, as affected by the global pandemic, the overall demand in the tank container market in the chemical industry dropped sharply, and the market competition was intense. The tank container manufacturing industry was experiencing a reshuffle. When the business volume of competitors at home and abroad shrank sharply, the segment was under pressure in the short term. However, in the long run, its market position will be further consolidated.

CIMC Enric has the ability to design, manufacture and sell a full range of tank containers including standard liquid tank containers, special liquid tank containers, gas tank containers, powder tank containers, and cryogenic tank containers, and is a leading enterprise with the world largest tank container manufacturing scale, the most complete series, the most varieties, and the longest service chain. CIMC Enric proactively promotes the application of Internet of Things technology in the tank container industry, and has exclusively designed “Tankmiles”, an intelligent sensor, digital display terminal and platform, integrating whole life cycle monitoring, management and service for tank containers, and successfully cooperated and maintained cooperation with many well-known container leasing companies and operators.

At the same time, CIMC Enric values green production and has obtained qualifications of environmental engineering and security. The first cooperation project of comprehensive utilization of hazardous wastes was officially put into operation in the fourth quarter of 2020, laying the foundation for the business development of environmental protection equipment and supporting services.

In 2020, 中集安瑞環科技股份有限公司 (CIMC Safeway Technology Co., Ltd*), a subsidiary of CIMC Enric, intended to carry out separate A-shares listing and obtained the approval of proposed spin-off from Hong Kong Stock Exchange.

3. Liquid food segment

In 2020, the liquid food industry grew rapidly in recent years due to the steady growth of population, the increasing prosperity of the global society, the improvement of people’s living standards, and the enhanced awareness of food safety and health.

This segment of CIMC Enric specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing liquid food such as beer, spirit, fruit juice and dairy products; and the provision of design, procurement, and construction services for the brewery industry as well as other liquid food industries. Despite the challenges in 2020, this segment has won three major contracts before the fourth quarter of 2020, including a brewery expansion project in the Western Hemisphere market and two alcoholic soda plant construction and implementation projects, with a total amount of more than USD200 million. In addition, the development of new markets such as Baijiu and sparkling water has not been interrupted, and initial orders have been obtained. In April 2020, the liquid food segment completed the acquisition of McMillan Coppersmiths & Fabricators Ltd. (“**McMillan**”), a leading supplier of copper distillers in Scotland, based in UK. The acquisition enabled the segment to achieve full coverage of the distilled liquor equipment chain, making it the largest global engineering supplier to the distilled liquor industry.

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- **On the other hand, carry out offshore engineering business relying on offshore resources**



Under the Group's offshore engineering business, there are 4 research and development and design companies, 3 construction bases and 3 operation and management companies, which are operated under an integrated operating model covering design, procurement, manufacturing, construction, commission and operation. The offshore engineering business possesses the capability of mass and industrialised construction of high-end offshore engineering equipment and other special vessels under EPC model, being one of the leading EPC contractors of high-end offshore engineering equipment manufacturing in China that has always participated in international competition in the offshore engineering market. Its major businesses include the design and construction of semi-submersible drilling platforms, semi-submersible accommodation platforms, jack-up drilling platforms, jack-up accommodation platforms, floating production storage vessels (FPSO), liftboats, crane vessels, fall pipe vessels, offshore support vessels (OSV), ocean tugs, mid-to-high-end yachts and other vessels with its products covering a majority of offshore engineering products.

Affected by the COVID-19 pandemic, the global economy fell into recession in 2020, accompanied by the governance system being hit hard. The international crude oil market experienced great volatility and the international oil production witnessed the first negative growth in the recent years.

During the Reporting Period, as new orders for offshore engineering entered the construction period, the offshore engineering business of the Group recorded a revenue of RMB5,425 million (same period in 2019: RMB4,517 million), representing a year-on-year increase of 20.12%; and a net loss of RMB1,943 million (same period in 2019: net loss of RMB1,285 million), representing a year-on-year loss increase of 51.21%, mainly due to: (1) the significant financing adjustment as a result of the implementation of new revenue standards in the same period of the previous year; (2) the provision for impairment of inventory made and loss on disposal of bulk cargo ships included during the year. If above factors are excluded, the offshore engineering business would record a year-on-year decrease in loss.

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In 2020, CIMC Raffles Offshore (Singapore) Limited (“**CIMC Raffles**”) actively promoted its business transformation and deployment, expanded to related diversified businesses with the oil and gas industry as the core, established an industrial structure with high technology that calms industrial fluctuation cycles, and formed a business portfolio with each of oil-and-gas segment and non-oil-and-gas segment accounting for approximately 50%. Within this segment, 1) drilling business: continued to maintain its leading position and market share in the industry; 2) FPSO (Floating Production Storage and Offloading) business: formed EPC (Engineering Procurement Construction) comprehensive capabilities, and leveraged the module business to consolidate EPC capabilities; 3) exploration and special vessels business: took advantage of the accumulation of expertise and experience in the traditional offshore engineering field to accelerate the diversified business expansion; 4) deep-sea and offshore fishery and sea tourism and offshore wind power business: formed its unique business model; 5) technical services: accelerated development of the business such as service delivery. At present, CIMC Raffles has four 300-foot jack-up drilling platforms, three 400-foot jack-up drilling platforms and one high-end yacht.

In respect of project construction and delivery: In March 2020, the world’s largest salmon breeding vessel built by the Group finished the shipbuilding and headed for Norway. “Bohai Hengda”, the largest ship of Asia, was launched and delivered in October 2020. In December 2020, Lingshui 17-2 Project, the world’s first 10,000-ton semi-submersible production and storage platform, completed the closure; the “100 Cages Plan” (百箱計劃) commenced the construction to help achieve new cage development milestones. On the basis of consolidating the traditional oil and gas business, the Group actively explored businesses of offshore cultural tourism and offshore new energy. The Group has signed the cooperation agreement of “Mirage • Yantai Bajiao Bay Offshore Art City” (海市蜃樓 • 煙台八角灣海上藝術城) to build the world’s first super cultural tourism complex; signed the Comprehensive Deepening Strategic Cooperation Agreement on Offshore Wind Power and Offshore Engineering Equipment (《海上風電及海工裝備全面深化戰略合作協議》) with Huadian Heavy Industries Co., Ltd. to provide system solutions for offshore wind power projects in terms of engineering and technical services, material transportation and new energy utilization.

In respect of new orders: In 2020, CIMC Raffles had USD300 million of newly acquired effective orders, and held USD800 million of orders on a cumulative basis as at the end of 2020, among which non-oil-and-gas orders accounted for approximately 70% and showed a momentum of sustained growth. The newly acquired effective orders included five production platform and oil-and-gas module projects, four clean energy projects, three fishery projects and four ship repair projects.

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(III) Finance and Asset Management Business that serves the Group itself

The Group's finance and asset management business is devoted to establishing a financial service system which matches the Group's strategic positioning as a leading manufacturer in the world, enhancing the efficiency and effectiveness of the Group's offshore engineering assets and internal capital utilisation, and providing diversified financial service measures for the Group's strategic expansion, business model innovation, industrial structure optimisation and overall competitiveness enhancement. The main operating entities consist of CIMC Financial Leasing Co., Ltd. ("**CIMC Financial Leasing Company**") and CIMC Finance Co., Ltd. ("**CIMC Finance Company**") and offshore engineering asset management platform companies.

In 2020, given the global spread of the COVID-19 epidemic and in response to the impact of the epidemic, financial regulation has further increased counter-cyclical control in 2020, lowering the reserve requirement ratio for three times, continuously reducing the MLF and LPR and introducing targeted support tools facing small and medium-sized enterprises. Such measures have achieved remarkable results with a significant increase in the growth rate of monetary and social financing and a significant decrease in the interest rate of comprehensive financing.

During the Reporting Period, the Group's finance and asset management business achieved revenue of RMB2.178 billion (2019: RMB2.213 billion), representing a year-on-year decrease of 1.59%, and net profit of RMB0.312 billion (2019: net loss of RMB5.118 billion), representing a turnaround from loss, which was mainly attributable to the change arising from the provision for impairment of semi-submersible platforms of RMB5.03 billion made by offshore engineering asset management platform companies in 2019.

- **CIMC Financial Leasing Company:** In 2020, CIMC Financial Leasing Company adhered to the strategic positioning of "integration of industry and finance", focusing on the Group's core business ecosystem and consolidating the operational and financial synergies in the Group's manufacturing segment in order to further optimize its business layout and asset portfolio. From the aspect of risks, CIMC Financial Leasing Company continued to improve and optimize the comprehensive risk management system by upholding the strategy of "quality first, strict risk control", and strengthened the risk management and control for all employees and throughout the whole process and introduced big data and other technological risk control means. In 2020, CIMC Financial Leasing Company was awarded the Financial Industry Technology Application Scenario Innovation Award (金融行業技術應用場景創新獎) by IDC. From the aspect of funds, it further explored asset securitization models and developed a diversified financing system and financing capability, realized early recovery of cash flows. For the year, the investment in new businesses remained healthy and business portfolio was under continuous optimization according to the Group's strategic planning for special periods. In 2020, CIMC Financial Leasing Company was awarded "China Financial Leasing Company of the Year" for the sixth time.

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- **CIMC Finance Company:** In 2020, CIMC Finance Company launched comprehensive services to meet financing requirements of members of the Group and industry chain enterprises, set differentiated financial service plans during the outbreak of COVID-19, and continuously strengthened centralized management level of the funds through implementation of various measures to ensure the overall fund security and sufficient liquidity of the Group. It improved the financial services and increased the financial support for the Group's industries. For the year, the total amount of new capital investment exceeded RMB15.2 billion, which effectively met the capital needs of the Group. The types of financial products were continuously enriched and the first forward sale and settlement of foreign exchange business was completed, which marked the official initiation of the foreign exchange derivatives business of CIMC Finance Company, and will be helpful for improving the Group's foreign exchange risk management efficiency and lowering its forex trading cost.
- **Offshore engineering asset operation and management business of CIMC:** As at the end of 2020, the offshore engineering asset management platform of the Group involved 8 offshore engineering assets in total, including two ultra-deepwater semi-submersible drilling platforms, three semi-submersible drilling platforms in severe sea conditions, three semi-submersible lifting/life support platforms. In 2020, the Group's offshore engineering asset operation and management business basically remained stable under dual pressures of the COVID-19 and low oil price across the world. (1) For asset operation, eight leases were in force and all existing leases have been steadily fulfilled. The "Blue Whale No. I" completed the drilling of several exploration and production wells in China's first deepwater self-operated gas field; the "Blue Whale No. II" made contributions to the success of China's second phase of natural gas hydrate pilot production, setting two world records; the "Deepsea Yantai" has been operating steadily in the North Sea of Norway throughout the year and has been awarded a new drilling service contract by Statoil, a Norwegian national petroleum company, extending its existing operations until the end of 2022; the "OOS Tiradentes" life support platform has been operating normally in the coast of Brazil throughout the year; several jack-up drilling platforms maintained normal operations in the Gulf of Mexico, the Bohai Bay and the Caspian Sea; the "OC Aggnes" self-unloading bulk carrier operated steadily in Europe with an annual lease rate of over 90%. (2) For asset preservation, the Group successfully completed various warm stopping maintenance and special inspection and overhaul works, and strengthened spare parts management to reasonably reduce maintenance costs; strengthened cash flow management to effectively reduce capital pressure; adopted an information and process-based approach to achieve standardized management of asset preservation. (3) For asset disposal, the Group sold bulk carrier stock H190 in December, which improved operating cash flow.

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(IV) Innovative Businesses that highlight the advantage of CIMC

- **Modular Building Business:**



CIMC Modular Building Investment Company Limited (“**CIMC Modular**”), a subsidiary of the Group, is engaged in the modular building business. As a company that is customer-centric, technology-led and innovation-driven, CIMC Modular develops a one-stop service model of “manufacturing + finance + service” integrating the production and finance, striving to become a technological leader in global green modular buildings. During the Reporting Period, the department achieved a record-high revenue.

Overseas markets: The modular building business further cultivated the existing markets amid the COVID-19 epidemic. In the UK market, the Group continued to successfully deliver hotel projects to world-renowned hotels, while steadily advancing into the apartment market. In the Northern Europe market, the first steel structure modular hotel project delivered in Iceland was completed and received great attention from all sectors of the local community. Meanwhile, the project obtained the technology certification of SINTEF from the local authority in Norway, and the delivery and operation of the first modular hotel project signed with the strategic partner in Norway were successfully completed during the Reporting Period. In the U.S. market, the first high-rise modular building in a high seismic intensity zone was officially completed and received the LEED Gold Award from the U.S. Green Building Council. In the Middle East market, the Group cooperated with well-known technology groups to explore the construction of overseas information centers, and have successfully delivered several phases of information centers. In the “Belt and Road” markets, Djibouti Hotel project in East Africa was undertaken as an EPC contractor for the first time.

Mainland China: The Group’s modular building business actively participated in the industrialized construction market and fully exploited and developed steadily. The Group succeeded in delivering a number of domestic information center projects in cooperation with renowned technology groups; supported medical staffs who worked at the frontline fighting the virus and built apartments for them; actively explored the promotion and application of modular in schools and other fields, and built a number of schools in just three months during the Reporting Period, helping Shenzhen to release the pressure of degree availability and smoothly securing a number of project contracts. With the promotion of the “Standard for Construction of Urban Fire Stations”, the fire stations developed and built independently under the Group’s modular building business were widely used. At the same time, the “Technical Regulations for Box-Type Steel Structure Integrated Modular Buildings (《箱式鋼結構集成模塊化建築技術規程》)” compiled by the modular building business department of the Group was formally implemented, further promoting the development of modular building in China.

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Hong Kong market in China: The first MIC (Modular Integrated Construction) permanent high-rise and high-end talent apartment project in Hong Kong was completed at the Hong Kong Science and Technology Park. This project has gained a competitive edge for the Group's modular building business in the Hong Kong modular building market by achieving Platinum rating certification for new buildings granted by HKGBC BEAM PLUS, the highest standard for green buildings in Hong Kong. In order to support the emergency fight against epidemic in Hong Kong, the Group's modular building business quickly delivered a quarantine center project at the beginning of the year and undertook another quarantine center project in September, making contributions to the fight against epidemic in Hong Kong. Upon completion of the anti-epidemic mission, the project will be reassembled into a 4-storey building to be used as a public transitional housing, highlighting the advantages of the Group's modular building business, which is movable, easy to assemble and recyclable. The Group's modular building business is participating in the development of public transitional housing and public housing in Hong Kong, aiming to provide more green and environmental solutions to the society.

- **Cold Chain Equipment Business:**



The Group should follow the general trend of the development of the domestic cold chain industry and expand the cold chain equipment and services market in order to have a place in the domestic cold chain industry.

Leveraging its own resources, the Group has developed a series of cold chain logistics equipment so far, including reefer containers, refrigerated trailers, refrigerated van bodies, small cold chain logistics equipment, smart cold chain logistics and warehousing system and mobile cold warehouse. What's more, cold chain logistics business has initially formed the cold chain end-to-end service capability in Southeast Asia, and the revenue of multimodal transport business of importing fruits under cross-border fresh food transportation exceeded RMB100 million. At the same time, it established a relatively mature cold chain logistics information platform, achieved temperature monitoring and remote adjustment in the course of food cold chain logistics, and ensured the food safety and traceability.

The Group actively expanded to medical cold chain, aviation cold chain and other fields that had higher requirements on temperature control. Take medical cold chain as an example, during COVID-19, the "Lengyun" team of Beijing CIMC JingXin XiangNeng Technology Co., Ltd. succeeded in sending test kits and other medical materials to hospitals of Hubei and other regions hit hard by the virus and to affected countries in Europe, Africa, America and Middle East. This company was selected as one of the first batch of 28 key contact enterprises for vaccine cargo transportation announced by the Ministry of Transportation and Communications; Yangzhou Tonglee has developed the "vaccine multimodal storage and transport cabin".

At present, the cold chain business of the Group has grown in size. Given that the domestic cold chain logistics market is more standardized and that demands grow continuously and rapidly, the Company is upbeat about the future of cold chain business.

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(V) Others

- **Industrial city development business, which was no longer the subsidiary in October 2020**



The industrial city development business under the Group is operated mainly through its associates CIMC Chancheng and its subsidiaries. The principal activities include the development and operation of industrial parks and development of complexes in industrial cities, etc..

In January to October 2020, the Group's industrial city development business recorded a revenue of RMB2,173 million (January to December in 2019: RMB1,436 million); and a net profit of RMB416 million (January to December in 2019: RMB806 million).

In 2020, the industrial city development business adhered to development strategy of industry and city integration, focusing on the development of two major core areas of Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta. Overcoming the impact of the COVID-19 epidemic, the Group recorded contracted pre-sale amount of approximately RMB6.37 billion and contracted payment of approximately RMB5.58 billion as at the end of October 2020.

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III. FUTURE DEVELOPMENT AND OUTLOOK OF THE COMPANY

1. Macroeconomic Environment and Policies

The year 2021 is the initial year of the 14th Five-Year Plan. The global economic and trading landscape, the COVID-19 epidemic, technology and energy revolutions are pushing forward China's reforms. It is expected that monetary policy in 2021 will have more prominent structural features, deepen market-oriented interest rate reforms, unblock the conduction mechanism of monetary policy, and optimize the allocation of resources in regions, industries and cycles. In 2021, the world economy will grow by 5.2% year-on-year, and China's economy will grow by 7.9% year-on-year according to the latest forecast of the International Monetary Fund. Meanwhile, with the good news of vaccine research and launch and the end of the U.S. election, it is expected that the macro economy will improve gradually in the future.

2. Industry Development Trend and Market Outlook

(1) In the Logistics Field:

In respect of the container manufacturing business: According to the latest prediction made by CLARKSONS (a leading global industry analyst) in February 2021, the growth of global container trade will rebound from -1.2% in 2020 to 5.7% in 2021, and the demand for container shipping is expected to welcome a full recovery. The growth of shipping capacity is expected to rebound to 3.9% in 2021 after it was slowed down to 2.9% in 2020, maintaining a tight supply/demand balance in the market. Old container replacement is expected to peak in 2021, and the supply and demand pattern will continue to improve. Although the future impact of the epidemic on container shipping and the industry is still relatively uncertain, it is expected that the overall demand of the container industry in 2021 will more likely continue its growth trend since the second half of 2020.

In respect of the road transportation vehicles business: In 2021, the Chinese government has proposed a new development pattern of "domestic and international economic cycles", which will have a profound impact on the development of global logistics and transportation industry. The domestic semi-trailers and truck bodies for specialty vehicles business of CIMC Vehicles will get a long cycle of development under macro level of "domestic and international economic cycles" and micro levels, including full implementation of "new national standards", more stringent environmental protection policies, as well as "overloading" regulation. The domestic refrigerated van bodies business will continue to enjoy a rapid development despite the COVID-19 epidemic and driven by the fresh cold chain support policy. In terms of overseas markets, in 2021, the widespread usage of COVID-19 vaccine is expected to revive the global economy, and the global demand for logistics, transportation and semi-trailers is expected to benefit from economic recovery.

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In respect of the airport facilities, fire safety and automated logistics equipment business: (1)

The airport facilities equipment business: future electric and smart airport facilities equipment will contribute to the construction of “a safe, green, smart and human-oriented airport” of civil aviation. Demand for such airport facilities equipment is expected to grow gradually in the future which will replace the existing fuel and non-smart equipment. On the other hand, further development of the civil aviation industry in China will increase the share of wide-body passenger aircrafts, the number of which operated by Chinese airlines is expected to account for 19% of the globe by 2039. Accordingly, that would lead to a significant increase in the need to update boarding bridge. (2) Fire safety and rescue business: the increasing modernization of cities, rapid development of oversized space buildings, super-high buildings and high fire risk industries, such as petroleum, chemicals and building materials, has led to a rapid increase in the number of flammable and explosive sites and more complexity of fires. Therefore, this segment faces increasingly high technological requirements and has a market of certain demand. (3) Automated logistics systems business: with the scale expansion of airports in various regions and continued development of e-commerce business, we have seen a rapid rebound in manufacturing and logistics after the epidemic, which is favourable to the automated logistics business.

In respect of the logistics services business: The global value chain is showing a trend of strengthening regional attribute, and the official signing of Regional Comprehensive Economic Partnership (RCEP) marks the expected continuous increase in trade with Southeast Asia and other Belt and Road countries. In the meanwhile, China is forming a new pattern which is based on domestic macro-circulation, along with international and domestic dual-circulation and mutual promotion. The Group’s logistics services business will actively face changes in macro environment and the industry to ensure the stability and sustainability of its development.

In respect of the unit load business: Looking ahead to 2021, the Group’s unit load related business will accelerate its pace of recovery. Particularly, with the recovery of international trade, the demand for international maritime transportation will rebound and the multimodal transport business is expected to improve, both to a significant extent. The continued boom of automobile and liquid chemical industries will drive the increase in demand for unit loads, and the leasing operation business will continue to improve. Production and manufacturing of unit load business will improve gradually as the impact of COVID-19 is wearing off and the demand is picking up.

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(2) In the Energy Industries Field:

In respect of the energy, chemical and liquid food equipment business: To further propel optimization of its energy structure, China actively develops green energy, improves energy utilization efficiency, and continues with its transformation towards low carbon development, striving to achieve carbon neutrality by 2060. At present, China's natural gas industry is entering a new stage of development and a critical period of energy transformation when its natural gas market demand will continue on growth in a long run, demonstrating an important period in which its clean energy industry will still be. Although the tank container industry is under pressure in the short term, a safer, more economical, more environmentally friendly and smarter green logistics model will be the trend in the long term. The new version of the Solid Waste Pollution Prevention and Control Law of the People's Republic of China implemented on 1 September 2020, specifies "establishment of a system of charge for treatment of domestic waste" and "the extended producer responsibility system", making it mandatory for waste producers to take effective measures to control solid waste pollution. Social investment in environmental governance of traditional manufacturing industry has increased, resulting in more room for the development of chemical environmental industry. According to the research report of Global Beverage Processing Equipment Market in 2020 by Manufacturer, Region, Type and Application, Forecast to 2025, the global beverage processing equipment market will reach a total value of USD24.3 billion by 2025. In the meantime, increased health consciousness among consumers and the rising consumption of high-quality beverages will drive continuous innovation in the liquid food processing equipment market.

In respect of the offshore engineering business: The global economy is forecast to improve in 2021. In the medium to long term, major energy companies are reducing their budgets in the traditional oil and gas business segment, especially in the upstream exploration business, under the guidance of international proclamations such as "carbon neutrality" and "net-zero carbon", while the new and clean energy industry is gaining favor in the capital market. In view of the major trend of energy transition, the Group will accelerate the transition from traditional oil and gas to offshore renewable energy with the focus on principal growing businesses in the future, including FPSO/module, offshore wind power and deep-sea fishery. The Group means to significantly increase the proportion of revenue from non-oil and gas offshore business, and establish a product line layout to mitigate the impact of the oil and gas cycle fluctuations.

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(3) Finance and Asset Management Business

CIMC Financial Leasing Company: Compared with the leasing market in developed countries, China's financial leasing industry is still in the primary stage of development with relatively large market capacity. With the gradual implementation of unified supervision and the introduction of favourable national policies, the financial leasing industry still has middle and long-term development opportunities. There are two trends in the future development of the financial leasing industry: First, the leasing business will return to its nature. In light of this, the Group will adhere to the coordinated development of industry and finance to create a professional and differentiated competitive advantage with respect to leasing properties. Second, the industry will accelerate the application of technologies, especially to enhance the risk control capability and operational efficiency by using big data and artificial intelligence.

CIMC Finance Company: The year 2021 is the opening year of China's 14th Five-Year Plan. Despite uncertain external environment, there are more favorable factors for China's economic growth, thus the impact of COVID-19 on the economy may be reduced. China's monetary policy is expected to strike a balance between stabilizing growth and preventing risks, and will return to a neutral and prudent principle in 2021.

CIMC's offshore engineering asset management business: At present, as the global economy is expected to recover, demand for oil is picking up. The ultra-loose monetary and fiscal support policies rolled out in major countries worldwide, the weakening U.S. dollar and higher inflation and other factors are also supportive for the current relatively higher oil prices in a short term. Therefore, both the demand and price trends are favorable for the development of the offshore oil and gas business.

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3. Overall Operation Targets and Initiatives for Main Business Segments

Looking forward, in 2021, the Group will persist in its strategic positioning of “Manufacturing + Service + Financing”, continue to promote the transformation and upgrade of its businesses, extend its manufacturing segment toward the service segment based on customer needs and focus on its main business to optimise business structure. The Group will also continue to improve its global operating capabilities, optimise its businesses and assets, accelerate the clustering of industries, and develop competitive advantages in its industrial chain. In terms of technological upgrade, business model and management mechanism, the Group will strive for constant innovation and risk control. The Group will also strive to grasp changes in the market and complete the layout of its emerging industries and innovative businesses in order to achieve sustainable quality growth.

(1) In the Logistics Field:

In respect of the container manufacturing business: In 2021, the Group’s container manufacturing business will actively grasp opportunities arising from the market situation brought about by global economic recovery and positive growth of the shipping industry in the post-epidemic era, stabilize and consolidate the profitability of its main business and its leading industry position through various initiatives, such as the Dragon Program (龍騰計劃), major technical reforms and management improvements. While China is initiating a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other, and enhancing the construction of “new infrastructure, new urbanization initiatives and major projects”, the Group’s container manufacturing business will also actively participate in and strive to grasp the opportunities arising therefrom on incremental special container business and innovative business. In terms of the incremental special container business, we will accelerate expansion in key areas to further enhance the integration and added value of our products. In terms of new business development, the Group will establish a model combining industrial fund investment and direct equity investment to conduct investment and acquisition in areas related to container strategies, such as cold chain, new materials and logistics equipment after-market mainly through controlling equity investment and supplemented by the establishment of joint venture companies.

In respect of the road transportation vehicles business: In 2021, CIMC Vehicles will, under the philosophy of “transoceanic management and local manufacturing”, actively invest in digital analog design, upgrade lighthouse factories, and invest in EPS (Electronic Power Steering) based global supply chain management system in semi-trailer manufacturers in North America and Europe, so as to build up long-term competitiveness of CIMC Vehicles in the global market. At the same time, CIMC Vehicles will, in line with the new “dual-circulation” development paradigm, and leveraging the policy review window of more stringent environmental protection and “overloading regulation”, seize the opportunity arising from the development of China’s logistics and transportation market and semi-trailer replacement and update to expand its production layout in the refrigerated van body business. For this purpose, CIMC Vehicles has put forward the development plan of “constructing a high-end manufacturing system to meet the big changes”, and will comprehensively build a high-end manufacturing system to achieve a unique position in the dual-circulation economy at home and abroad, and to scale new heights in transoceanic operation. Core development strategies are (1) to increase R&D investment and carry out digital transformation; (2) to continue to upgrade and improve lighthouse factories and build a high-end manufacturing system in an all-round way; (3) to improve and promote “new marketing” and “new retailing” methods; (4) to attract top talents and promote organisational development; (5) to continue to promote the strategic transformation of “transoceanic operation and local manufacturing”.

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In respect of the airport facilities, fire safety and automated logistics equipment business: In 2021, the airport facilities business of the Group will continue to cultivate strategic market, consolidate and enhance market share, maintain the leading position in the global market of boarding bridge. The Group will strengthen product life cycle management, improve service system, expand for a broader range of product and service with the support of information technology and big data. Fire safety and rescue business will further deepen the integrated operation and management, unify “service + R&D + procurement”, increase overall coordination at the sales and production levels and respond proactively to the supply chain issues that may arise afterwards by adjusting the production process and enhancing product research and development; it will also continue to optimize and innovate the overall solution of fire truck leasing, and start new model of “equipment + finance + service” for fire truck business and gradually promote nationwide. Automated logistics systems business will continue to carry out strong integration, actively develop product targeting at promising industries, do well in project management, and form competitive advantages at specialization and efficient delivery.

In respect of the logistics services business: In 2021, facing long-term effects of the migration of manufacturing industry, the epidemic and trade friction, the Group will continue to strive for steady growth and deeply cultivate the professional logistics fields such as LNG chemical, engineering projects and cold chain with the strategic vision to become a multiple-channel intermodal transport leader in terms of its logistics business, featuring “equipment + service”. Leveraging on “one brand, one team and one goal”, we will promote the connection, communication and concentration of the business sectors and enhance the capabilities of strategic leading, organizing and empowering, and business promoting, and advance the profound combining of products, customers and strategic resources to further optimize the overall business structure.

In respect of the unit load business: In 2021, CIMC Unit Load will continue to increase its business expansion based on the domestic market. In terms of R&D and manufacturing: it will integrate the Company’s R&D strength and establish a R&D shared center in order to enhance R&D and design capabilities, thus providing customers with comprehensive R&D and design solutions. In terms of the leasing operation: CIMC Unit Load will focus on unit load leasing business and to increase external cooperation by vigorously expanding the leasing operation and comprehensive solution business in industries such as household appliances, new energy and fresh produce, based on the existing automotive, liquid chemical, food and rubber businesses.

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(2) In the Energy Industries Field:

In respect of the energy, chemical and liquid food equipment business: In 2021, (1) adhering to the main development path of its core business, namely “equipment manufacturing + engineering services + comprehensive solutions”, the clean energy segment will focus on building the LNG full service chain and LPG full service chain, continuously adjust and optimize the high-voltage business chain with industrial gases, electronic gas and CNG, and seize new opportunities in the hydrogen energy storage, transportation and refueling equipment and application, the processing and application equipment for unconventional natural gas and the development of marine LNG application; (2) the chemical environment segment will continue to enhance technology R&D and market development. Under the premise of consolidating the leading position in the standard tank container market, the segment will endeavour to expand applications of tank containers. At the same time, the chemical environment segment will build the whole-chain operation ability by making technological innovation in the field of environmental improvement as the core competitiveness and focusing on the industrial waste treatment business. In addition, with its emphasis on two business dimensions of “resource utilization + eco-environmental services”, the segment will promote the large-scale, formalized and intensive development to realize a leapfrog development of the environmental protection business; (3) the liquid food segment will continue to maintain and strengthen its major role in the beer, distilled liquor and juice markets, with the ambition of becoming a global leader in many liquid foods industries.

In respect of the offshore engineering business: In 2021, the Group will continue to actively carry out business transformation and layout of the offshore engineering business, enhance market development, and focus on reducing losses while implementing profitability plans. It intends to develop FPSO/module, offshore hydrogen production and offshore energy (wave energy, tidal energy, temperature difference energy, etc.) in the future. The Group plans to implement the following key measures: (1) structure adjustment: stabilizing the industrial fluctuation cycle and the industrial structure with high-tech products to form a 50/50 business portfolio and production capacity allocation for oil and gas and non-oil and gas businesses; (2) resource integration: leveraging on the core capabilities of the industrial chain (design/equipment) to integrate the resources of state-owned enterprises and leading domestic and foreign enterprises.

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(3) Finance and Asset Management Business:

CIMC Financial Leasing Company: In 2021, CIMC Financial Leasing Company will continue to deepen the coordination of industry and finance, further optimize the coordination mechanism of industry and finance in all industrial sectors, and further propel the business upgrade and model innovation. Meantime, it will further improve and optimize the comprehensive risk management system, further explore the asset securitization model, develop a diversified financing system and financing capability, strengthen the operational efficiency and service capacity of mid and back offices, improve the standard of digital management and realize sustainable development.

CIMC Finance Company: In 2021, CIMC Finance Company will take transformation and upgrade as the core of strategic development around the operation principle of “transformation, consolidation, improvement, balance, upgrade and protection”. Leveraging on the deep integration of Group’s development and industrial segments, it will strengthen the construction of digitization and informatization. Guided by exploring the needs of the Group, business segments and members, and primarily by means of improving and optimizing financial products and services, CIMC Finance Company will pay more attention to organic growth and service capacity enhancement, to provide differentiated and distinctive financial services and achieve new development.

Offshore engineering asset management business of CIMC: In 2021, the offshore engineering asset management business of the Group will understand the market pulse to create opportunities, and strives to achieve the overall objectives of asset disposal, asset operation and asset preservation. The main measures include: (1) diversified de-stocking: to take the supply-side structural reform as an opportunity and firmly grasp the international and domestic dual-circulation to promote development, and to diversify opportunities for asset disposal in the fields of oil and gas, offshore wind power, offshore new energy, offshore cultural and tourism complex, science education, ocean scientific research, etc.; and (2) maintaining lean and healthy operation: to perform digitalized and intelligent upgrade on asset operation and management for the purpose of higher efficiency from the lean and healthy operation, to improve the profitability of asset operation projects as well as the rationality and effectiveness of capital management, thus realizing the healthy operation of each asset project.

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4. Major Risk Factors in the Future Development of the Group

Risk of economic periodic fluctuations: the industries that the principal business of the Group is engaged in are dependent on global and domestic economic performance and often vary with economic periodical changes. In recent years, the global economy has become increasingly complex with increasing uncertainty factors. In particular, the rise of the trade protectionism will have a negative impact on the growth of the global economy and trade. The changes and risks in the global economic environment demand higher requirements on the Group's operating and management capabilities.

Risk of economic restructuring and industry policy upgrade in China: China's economy entered into the new normal and the government comprehensively deepened supply-side structural reform to push forward the transformation and upgrade of economic structure. Developments including new industrial policies, tax policies and land policies, etc. that have a huge impact on business operations have resulted in uncertainties to the future development of industries. The main businesses of the Group, as part of the traditional manufacturing industries, will face certain policy adjustment risks in the coming years.

Risk of trade protectionism and anti-globalisation: anti-globalisation trend such as the trade protectionism implemented by the United States, Brexit and political elections in European countries, will bring more uncertainties to global trade recovery and threats to global economic growth. Part of the Group's principal businesses will be affected by global trade protectionism and anti-globalisation, such as anti-monopoly, anti-subsidy and anti-dumping investigations, etc.

Fluctuations of financial market and foreign exchange risks: the presentation currency of the consolidated statements of the Group is RMB. The Group's exchange risks are mainly attributable to the foreign currency exposure resulting from the settlement of sales, purchases and finance in currencies other than RMB. During the process of promoting RMB internationalization, and under the backdrop of constant volatility in the global financial market, the exchange rate of RMB against USD will fluctuate with increased frequency and volatility, thus making it more difficult for the Group to manage its foreign currencies and capitals.

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Market competition risks: the Group faces competition from both domestic and foreign enterprises in respect of its various principal businesses. In particular, a weak demand or relative overcapacity will lead to imbalance between supply and demand, which will cause intensified competition in the industry. In addition, the competition landscape of the industry may change due to entry of new players or improved capacity of existing competitors.

Employment and environmental protection pressure and risks: with demographic changes in China and gradual loss of demographic dividend, China's manufacturing industries see constantly soaring labour costs. Automation represented by robots is becoming one of the key directions for future upgrade of the traditional manufacturing industries. In addition, China has been attaching increasing attention on environmental protection and carrying out sustainable development strategies, strengthening environmental protection requirements for China's traditional manufacturing industries.

Risks of fluctuations in price of main raw materials: steel is one of the main raw materials consumed in the production process of the Group, accounting for a high proportion of product costs. The price of iron ore which is used for the production of steel has fluctuated significantly recently. From 2017 to 2020, the average imported price of iron ore was USD70.75/ton, USD71.07/ton, USD86.22/ton and USD101.65/ton, respectively. In addition, the increasing demand in the steel industry may increase the demand for iron ore, driving the increase in the cost of steel. The Group's various businesses are closely related to steel price, which brings uncertainties to the Group's operating result.

COVID-19 related risks: In 2020, the world was faced with a more severe and complex economic situation as COVID-19 had swept the globe. Although COVID-19 is effectively contained in China currently, it further spreads in other countries and regions, and the development in other countries is subject to high uncertainty, all of which have a more complex impact on China's economy. In response to the severe situation faced by the Group in such a special period, the Group has adopted a series of key measures in 2020, such as establishing a "Special Period Decision-making Committee", further enhancing the awareness of risk management and control, and implementing the management and control measures.

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IV. SIGNIFICANT CHANGES IN MAIN ASSETS OF THE GROUP DURING THE REPORTING PERIOD

1. Significant Changes in Main Assets

During the Reporting Period, apart from the disposal of a subsidiary CIMC Chancheng, there were no significant changes in main assets of the Company.

2. Main Overseas Assets

Applicable Not Applicable

V. ANALYSIS OF CORE COMPETITIVE ADVANTAGES

Strategic Positioning of “Manufacturing + Service + Financing”

The Group has formed an industrial pattern spanning both logistics and energy sectors, established major business segments with industry leading position and good prospects, and will continue to explore and deploy in emerging industries which help to give full play to the Group’s advantages. While reinforcing its edge in traditional industries, the Group promoted a customer demand-oriented business expansion from manufacturing to incorporate service, offered comprehensive solutions covering the entire life cycle of a product, and will continue to adhere to the strategic positioning and industrial ecosystem of “Manufacturing + Service + Financing”, closely focusing on intelligent manufacturing and intelligent logistics to advance business transformation and upgrade.

Development Philosophies of Business Diversification and Globalisation

The Group has always been committed to reasonable business diversification and globalised deployment. The Group’s existing principal businesses cover container manufacturing business, road transportation vehicles business, energy/chemical and liquid food equipment business, offshore engineering business, logistics services business, heavy trucks business, airport facilities/fire safety/automated logistics equipment business, industrial city development business, finance and asset management business, and other emerging industries, with its production bases spreading across Asia, Europe, North America and Australia, and its business network spanning major countries and regions around the world. In particular, the container business continued to take the lead in the industry worldwide, as well as road transportation vehicles, energy, chemical and liquid food equipment and offshore engineering businesses with strong competitive edges. The efficient implementation of business diversification and globalised deployment effectively offset the adverse impact from periodic fluctuations of the global market in recent years on the Group’s results.

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A Standardised and Effective Corporate Governance System

The Group has developed a set of effective governance models covering business philosophy, governance structure and management mechanism. A standardised and effective corporate governance structure is the institutional safeguard of the Group's sustainable and healthy development. Since 2010, the Group has launched the strategic upgrade campaign of "building an empowering platform for sustainable and healthy development of CIMC". According to the organisational transformation direction of "layer management", the Group has established a three-tier management model comprising the executive committee, the special committee and the Board as well as a 5S core management process, introduced and actively pushed forward the lean management system to the entire Group, firmly enhanced the implementation progress of regulation compliance in all levels of organisation of the Group and the accountability system on officers. As a result, the Group has established a new management system which ensures sustainable and healthy development of its businesses in the future. In response to the COVID-19 pandemic, the Group established the Group Decision-making Committee for the Special Period at the beginning of 2020, which has provided strong support to the implementation of the Group's risk control measures during the special period.

Lean Manufacturing Management Capabilities

Since 2007, the Group has continuously promoted the construction of lean ONE mode, building a relatively perfect lean manufacturing system, and expanded it into business and management fields such as market, research and development, technology, supply chain, finance, human resources, etc. to continuously enhance the core competitiveness of the Company through strengthening its lean management capabilities.

Integrated Resources and Ability to Achieve Collaborative Development

In 2020, Shenzhen Capital Group became a Shareholder of the Group, marking another milestone for the future development of the Group, and CIMC Chancheng successfully introduced strategic investment for the second time, becoming a mixed-ownership enterprise with good promising. In several business segments such as the road transportation vehicles, energy/chemical and liquid food equipment and airport facilities/fire safety and automated logistics equipment, the Group has fully integrated supply chain, production and manufacturing, services and other processes through a series of mergers and acquisitions to secure its leading cost advantage and leadership in the industry. On the basis of existing resources and strengths in manufacturing and operation, the Group cultivates new businesses and industry chains for resource sharing and development synergy. The Group is aiming to capitalise on local strengths and integrate global resources to establish a new business ecosystem.

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Technological Research and Development Capabilities and Intellectual Property Rights Protection

The Group always attaches great importance to technological research and development capabilities through: developing mid-to-long term development strategies to optimise R&D systems and platforms and accelerate the development of products and technologies as well as evolution of existing products to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialisation of technological achievements. The technology centres of the Group are national-level enterprise technology centres, which have the National Energy Offshore Oil Drilling Platform Research and Development (Experiment) Center and the National Engineering Laboratory for General Assembly Research and Development in Offshore Engineering. The Group has established 47 group-level technology centres, 2 and 6 of which are at national and provincial level, respectively. By the end of 2020, CIMC had a total of 30 enterprises which were recognised as high-tech enterprises and 5 postdoctoral research centres. The Group's boarding bridges and freight semi-trailers were selected as single champion products by the MIIT, and Yantai Raffles, CIMC Safeway and QDCRC were selected as single champion demonstration enterprises by the MIIT.

In 2020, a series of representative products which were developed and manufactured by the Group independently have led the equipment manufacturing and industrial development in China. These products include the world's largest salmon breeding vessel, the world's largest dual-role Ro-Ro ship, the first demonstration marine ranching platform for 5G application in China, the first "oil-gas-electric" hybrid power ship in China, the world's largest LNG transport bunkering vessel, the largest LNG fuel tanks for double-deckers in China, high-end lined tank containers, the first modular hotel/apartment in Iceland/Norway/America/Europe, the first modular international school in China, the first batch of smart multi-storey parking spaces for new energy buses in Shenzhen and the world's first unmanned boarding bridge. In 2020, "Blue Whale No. II", the ultra-deep water semi-submersible double-derrick drilling platform constructed by the Group, successfully completed the second round of combustible ice test production, and broke two world records for total test production volume and average daily gas production, resulting in a remarkable leap from exploratory testing to experimental trial production, thus making China the first country in the world to use horizontal well drilling and production technology to test natural gas hydrates in the sea.

To consolidate and improve its business competitive advantages, the Group is implementing technology innovation and upgrade projects such as "Longteng (龍騰), Super Magalhaes (超級麥哲龍) and Dream Six D (夢六D)" on business segments including container, road transportation vehicle, and energy/chemical/liquid food equipment, respectively, while conducting prompt and efficient deployment of intellectual property rights protection to leading technological innovation achievements in relevant industries. The Group strengthened the protection of intellectual property rights by taking "building high-quality patent groups and making full use of the value of intellectual property rights" as the general requirement, establishing and improving an all-round effective mechanism for protecting, operating, safeguarding and preventing infringement of intellectual property rights. In 2020, the Group has applied for 247 invention patents and had 2,728 patents in force as at the end of the Reporting Period, with which, the Group is well-positioned to capitalise on its strong R&D and intellectual property rights protection capabilities to convert its leading technologies into competitive advantages.

CHAPTER IV REPORT OF THE BOARD

VI. OTHER MATTERS REPORTED BY THE BOARD

1. Fixed Assets

Changes to the fixed assets of the Group during the Reporting Period are summarised in note IV. 19 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

2. Land Value Appreciation Tax

Land value appreciation tax paid by the Group for 2020 was RMB242,268,000 (2019: RMB206,610,000).

3. Reserves and Distributable Reserves

As of 31 December 2020, the reserves (including surplus reserve and undistributable profit) of the Company were RMB12,430,139,000 (31 December 2019: RMB10,574,157,000), and the distributable reserves were RMB8,842,542,000 (31 December 2019: RMB6,991,814,000). Movements in the reserves and the distributable reserves of the Group during the Reporting Period are set out in notes IV. 49 and XVIII.16 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

4. Management Contract

During the Reporting Period, the Company did not enter into any contracts concerning the management or administration of its overall business or any of its material business, nor did any such contracts exist.

5. Major Suppliers and Customers

During the Reporting Period, the aggregate purchase attributable to the top five largest suppliers of the Group was less than 30% of the Group’s total purchase, the aggregate revenue derived from the top five largest customers was less than 30% of the Group’s total sales. For details of the top five largest customers and suppliers of the Group, please refer to “(8) Information of the major customers and major suppliers” of “2. Income and Cost” of “II. Analysis of Principal Businesses” of “Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules” in this Report.

None of the Directors, Supervisors and their associates or any Shareholder (who to the knowledge of the Directors were holding 5% or more of the Company’s share capital) had any interest in any of the abovementioned top five largest suppliers and top five largest customers.

CHAPTER IV REPORT OF THE BOARD

6. Repurchase, Sale or Redemption of Securities

The Company or any of its subsidiaries did not repurchase, sell or redeem any listed securities of the Company or its subsidiaries during the Reporting Period.

7. Trust Deposits and Irrecoverable Overdue Time Deposits

During the Reporting Period, the Company did not have any trust deposits or irrecoverable overdue time deposits.

8. Pre-emptive Rights

The Articles of Association or Chinese law had no provisions regarding pre-emptive rights under which the Company must issue new shares on a pro rata basis to existing Shareholders.

9. Medium-term Notes

Issuance of medium-term notes was for the purpose of broadening the financing channels to meet the needs of the Company's production and operation, and promote the sound development of the Company. Please refer to note IV. 41 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report for details of the issuance of medium-term notes by the Company.

10. Issuance of Corporate Bonds

Issuance of corporate bonds was for the purpose of further improving the Company's debt structure, broadening the Company's financing channels to meet the Company's capital needs and reducing the Company's financing costs. Please refer to "Chapter XII Corporate Bonds" in this Report for details of the issuance of corporate bonds by the Company.

CHAPTER IV REPORT OF THE BOARD

11. Taxes

In accordance with the provisions of the “Individual Income Tax Law of the People’s Republic of China” and its implementing regulations, as for the income from dividends and bonuses obtained by foreign resident individual shareholders from the shares issued in Hong Kong by domestic non-foreign invested enterprises, the individual income tax shall be withheld by withholding agents according to the item of “income from interest, dividends and bonuses”. The Company will withhold and remit relevant taxes in accordance with the “Notice on Issues Regarding Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company” (Cai Shui [2015] No. 101) jointly issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, the letter entitled “Tax Arrangements of Enterprises in Mainland China on Dividend Issuance to Hong Kong Residents” issued by the Hong Kong Stock Exchange, and requirements of related laws and regulations. It is recommended that holders of H Shares of the Company may consult their tax advisors concerning the tax effects in Mainland China, Hong Kong and other regions regarding the holding and disposal of H Shares of the Company.

12. Donation

During the Reporting Period, the Group has made a total donation of RMB3,730,000 (2019: RMB3,622,000).

13. Compliance with Laws and Regulations

During the Reporting Period, the Group has complied with the relevant laws and regulations that have a material impact on the Group’s operations.

14. Permitted Indemnity Provision

The Company has arranged for appropriate insurance cover for the legal risks possibly faced by its Directors, Supervisors and senior management during their duty performances.

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15. Share Capital

As at 31 December 2020, the Company's share capital is as follows:

	Par value per share	Number of shares issued (shares)	Percentage (%)
A Shares	RMB1.00	1,535,121,660	42.70%
H Shares	RMB1.00	2,059,891,930	57.30%
Total	-	3,595,013,590	100.00%

16. Dividend Distribution

Based on the Group's 2020 operation results and taking into account the Group's overall financial position and cash flows situation, the Board recommended a final dividend of RMB0.28 per share (including applicable taxes) for the year of 2020. No bonus share will be issued, and no capital reserve will be converted into share capital. The dividend payment plan for the year of 2020 is subject to Shareholders' consideration and approval on the general meeting of the Company. For details of the Group's cash dividend policy and its dividend distribution for recent three years, please refer to "I. Profit Distribution of Ordinary Shares and Share Capital Increase by Way of Transfer from Capital Reserves of the Company" of "Chapter VIII Significant Events" in this Report.

17. Changes of Directors and Supervisors

During the Reporting Period, the changes of Directors and Supervisors of the Company are listed in "IV. Changes of Directors, Supervisors and Senior Management of the Company" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" in this Report.

CHAPTER IV REPORT OF THE BOARD

18. Environmental, Social and Governance Report

The Group attaches great importance to its responsibility on the environment and the society and strives to increase the Group's environmental, social and governance capability through various measures. The Company published the 2019 Social Responsibility & Environmental, Social and Governance Report and the 2020 Social Responsibility & Environmental, Social and Governance Report on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020 and 29 March 2021 respectively in accordance with the Guidelines for Companies Listed on the Shenzhen Stock Exchange on Social Responsibility, Rule 13.91 and Environmental, Social and Governance Reporting Guide of Appendix 27 of the Hong Kong Listing Rules.

19. Events after the Balance Sheet Date

For details of events of the Group after the balance sheet date of the Reporting Period, please refer to note XIII to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

CHAPTER V

OPERATION DISCUSSION AND ANALYSIS PREPARED IN ACCORDANCE WITH THE DOMESTIC SECURITIES REGULATORY RULES

I. OVERVIEW

For the profile of the Group's businesses during the Reporting Period, please refer to "1. Overview" of "II. Review of Principal Businesses During the Reporting Period" under "Chapter IV Report of the Board" in this Report.

II. ANALYSIS OF PRINCIPAL BUSINESSES

1. Overview

For details of the Group's principal business operations during the Reporting Period, please refer to "2. Review of Operations of Major Business Segments" of "II. Review of Principal Businesses During the Reporting Period" under "Chapter IV Report of the Board" in this Report.

2. Income and Cost

(1) Composition of Revenue

Unit: RMB thousand

	2020		2019		Year-on-year change
	Amount	% of revenue	Amount	% of revenue	
Total revenue	94,159,083	100.00%	85,815,341	100.00%	9.72%
By industry and by product					
Containers	22,163,623	23.54%	20,162,782	23.50%	9.92%
Road transportation vehicles	26,498,965	28.14%	23,335,378	27.19%	13.56%
Energy, chemical and liquid food equipment	13,291,573	14.12%	15,075,116	17.57%	(11.83%)
Offshore engineering	5,425,394	5.76%	4,516,575	5.26%	20.12%
Airport facilities, fire safety and automated logistics equipment	6,088,720	6.47%	5,962,172	6.95%	2.12%
Heavy trucks	1,694,149	1.80%	2,548,553	2.97%	(33.53%)
Logistic services	10,635,901	11.30%	9,157,288	10.67%	16.15%
Finance and asset management	2,177,839	2.31%	2,212,999	2.58%	(1.59%)
Unit load business	3,035,940	3.22%	-	-	-
Others	3,994,909	4.24%	4,301,281	5.01%	(7.12%)
Industrial city development (note 1)	2,173,421	2.31%	1,435,996	1.67%	-
Combined offset	(3,021,351)	(3.21%)	(2,892,799)	(3.37%)	(4.44%)
By region (by geographical locations of customers)					
China	56,729,195	60.25%	45,317,471	52.81%	25.18%
America	17,759,293	18.86%	14,409,712	16.79%	23.25%
Europe	14,354,186	15.24%	14,892,982	17.35%	(3.62%)
Asia (excluding China)	3,641,678	3.87%	9,250,880	10.78%	(60.63%)
Others	1,674,731	1.78%	1,944,296	2.27%	(13.86%)

Note 1: The 2020 figures of industrial city development business cover the period from January 2020 to October 2020, while the 2019 figures cover the full year of 2019.

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- (2) Industry, Product or Region Contributing 10% or More to the Company's Revenue or Operating Profit during the Reporting Period

Unit: RMB thousand

	Revenue	Cost of sales	Gross profit margin	Year-on-year change in revenue	Year-on-year change in cost of sales	Year-on-year change in gross profit margin
By industry and by product						
Containers	22,163,623	18,908,451	14.69%	9.92%	2.38%	6.29%
Road transportation vehicles	26,498,965	23,031,474	13.09%	13.56%	15.06%	(1.13%)
Energy, chemical and liquid food equipment	13,291,573	11,092,604	16.54%	(11.83%)	(10.94%)	(0.84%)
Logistics services	10,635,901	9,888,356	7.03%	16.15%	18.51%	(1.85%)
By region (by geographical locations of customers)						
China	56,729,195	–	–	25.18%	–	–
America	17,759,293	–	–	23.25%	–	–
Europe	14,354,186	–	–	(3.62%)	–	–

The key operation information on the Company's principle business for the past year collected by using the modified statistical method which was adopted during the Reporting Period.

Applicable Not Applicable

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(3) The Company's Income of the Physical Sale is Higher than the Service Revenue or not

Yes No

Industry classification	Item (Sales volume)	2020	2019	Year-on-year Change (%)
Containers	Dry containers (ten thousand TEU)	100.26	89.86	11.57%
	Reefer (ten thousand TEU)	12.86	13.75	(6.47%)
Road transportation vehicles	Semi-trailer (unit)	131,568	117,707	11.78%
	Truck bodies for specialty vehicles sold in China (unit)	56,752	46,267	22.66%
	Refrigerated van bodies sold in China (unit)	6,049	4,455	35.78%
Offshore engineering business	Special OSV (unit)	4	1	300.00%

Reasons for relevant information changes by over 30% on a year-on-year basis:

4 special vessels under offshore engineering business were delivered in 2020.

(4) Performance of the Significant Sales Contracts Entered into by the Company as of the Reporting Period

Applicable Not Applicable

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(5) Composition of Cost of Sales

Industry and product classification

Unit: RMB thousand

Industry classification	Item	2020		2019		Year-on-year Change of %
		Amount	% of cost of sales	Amount	% of cost of sales	
Containers	Direct materials	15,494,705	81.95%	14,981,249	81.11%	0.84%
Road transportation vehicles	Direct materials	19,794,499	85.95%	17,406,090	86.96%	(1.01%)
Offshore engineering	Equipment	969,987	17.69%	1,907,615	42.69%	(25.00%)

(6) Changes to the Consolidation Scope during the Reporting Period

Yes No

During the Reporting Period, for details of the change of the consolidation scope of the Group, please refer to note V of "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

(7) Information of Significant Changes or Adjustments of Businesses, Products or Services of the Company during the Reporting Period

Applicable Not Applicable

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(8) Information of the Major Customers and Major Suppliers

Information of the major customers of the Company

Total sales amount of the top five customers (Unit: RMB thousand)	10,460,518
% of the total sales amount of the top five customers in the annual total sales amount	11.11%
% of the total sales amount of related parties among the top five customers in the annual total sales amount	0.00%

Information of the top five customers of the Company

Applicable Not Applicable

Unit: RMB thousand

No.	Name of customer	Sales amount	% of the annual total sales amount
1	Customer A	3,336,624	3.54%
2	Customer B	2,251,847	2.39%
3	Customer C	1,760,182	1.87%
4	Customer D	1,686,487	1.79%
5	Customer E	1,425,378	1.51%
Total		10,460,518	11.11%

Other information of major customers

Applicable Not Applicable

There was no relationship between the Company and the top five customers, and the Directors, Supervisors, senior management, core technicians, Shareholders holding more than 5% of shares, de facto controller and other related parties of the Company did not directly or indirectly own interests in the major customers.

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Information of the major suppliers of the Company

Total purchase amount of the top five suppliers (Unit: RMB thousand)	12,198,604
% of the total purchase amount of the top five suppliers in the annual total purchase amount	15.11%
% of the total purchase amount of related parties among the top five suppliers in the annual total purchase amount	0.00%

Information of the top five suppliers of the Company

Applicable Not Applicable

Unit: RMB thousand

No.	Name of supplier	Purchase amount	% of the annual total purchase amount
1	Supplier A	3,278,214	4.06%
2	Supplier B	3,024,736	3.75%
3	Supplier C	2,844,003	3.52%
4	Supplier D	1,624,889	2.01%
5	Supplier E	1,426,762	1.77%
Total		12,198,604	15.11%

Other information of major suppliers

Applicable Not Applicable

There was no relationship between the Company and the top five suppliers, and the Directors, Supervisors, senior management, core technicians, Shareholders holding more than 5% of shares, de facto controller and other related parties of the Company did not directly or indirectly own interests in the major suppliers.

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3. Expenses

Unit: RMB thousand

	2020	2019	Year-on-year change
Selling and distribution expenses	1,990,076	2,297,273	(13.37%)
General and administrative expenses	4,896,341	5,204,271	(5.92%)
Financial expenses	2,096,553	1,276,165	64.29%
Research and development expenses	1,608,704	1,437,046	11.95%
Income tax expenses	1,278,666	3,103,761	(58.80%)

Description for significant changes in financial expenses and income tax expenses:

During the Reporting Period, the financial expenses increased by 64.29% as compared with the same period of the previous year, mainly due to the net exchange losses of RMB648.699 million (2019: net exchange gains of RMB25.325 million) during the Reporting Period. However, as the Group conducted exchange rate derivatives investment activities, mainly foreign exchange forward contracts and foreign exchange option contracts, for the purpose of exchange rate hedging, in order to smooth or reduce the impact of uncertainty caused by changes in exchange rates on the Company's operations. Such derivatives investment activities realised a net profit (including the realised gain or loss on the delivered portion and the gain or loss on the change in fair value of the undelivered portion) of RMB769.061 million in 2020, achieving the hedging purpose. Nevertheless, the exchange loss was attributed to recurring profit or loss and the gain on the foreign exchange hedging instruments hedged against it was attributed to non-recurring profit or loss. The income tax expenses decreased by 58.80% as compared with the same period of the previous year, mainly due to the substantial income tax expenses related to revenue from land recognized in the same period of the previous year.

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4. R&D Investments

In 2020, the Group launched its strategic plan for 2021-2023, with technology innovation and product planning included in the key functional plan, with a view to enhancing its operational excellence and profitability and achieving quality growth through strategic initiatives such as product rationalization, technology innovation and integration of informatization and industrialization.

During the Reporting Period, the Group continued to push forward the development path to intelligent manufacturing, to accelerate the progress of the Group's new industrialized development, enhance the Group's efficient operation capability and form a blueprint for the Group's innovative development. The Group, based on the development path to intelligent manufacturing and centering on the manufacturing model upgrade, product universalization, standardization and modularization, put emphasis on the building of life-cycle improvement pilot projects for the three products. Three demonstration projects, namely the container Longteng Plan (龍騰計劃), the vehicle Super Magalhaes Plan (超級麥哲倫計劃) and the Dream Six Plan (夢六計劃) of CIMC Enric, were orderly advanced to improve the overall intelligent manufacturing level of the sector, and stage results have been achieved. In terms of product intellectualization and efficient operation, the Group continued to launch the project of building champion products to improve product operation quality and realize product upgrade and intellectualization through technical innovation to enhance the capability of key technologies, core components and high-performance material applications. In respect of green manufacturing, in 2020, the Group made remarkable achievements in green manufacturing projects, significantly reduced three wastes, reduced positions that would cause occupational diseases in order to build an environmentally-friendly plant.

In 2020, under the impact of the epidemic, the Group steadily advanced the transformation and upgrading of intelligent manufacturing, and continued to make the integration of informatization and industrialization as one of its strategies. The Group utilized new intelligent manufacturing technologies such as industrial Internet, big data, artificial intelligence and video recognition to drive cost reduction and efficiency enhancement as well as quality growth. At the same time, it built the CIMC HSE digital platform focusing on core HSE management content, which not only ensured compliance in environmental protection and emission safety and controlled fire safety, but also reduced the management costs of environmental protection and fire safety. In terms of the promotion of established capabilities, the existing industrial Internet platform was extended to 10 enterprises within the Group, enabling optimization of production planning and execution, application of cloud technology of equipment, reduction of energy consumption, optimization of equipment availability, quality tracing, etc., enhancing the production and manufacturing management of the entire enterprise and continuously optimizing the effect of key process improvements. In terms of new capacity building, it has piloted a digital blanking project at the vehicle factory of Zhumadian CIMC Huajun, which has improved the utilization rate of steel and aluminium, effectively reduced material costs and optimized the value of resource utilization, and will generate tremendous business value when promoted across the Group going forward. By the end of 2020, within the Group, 10 enterprises have obtained the national certification for the implementation of integration of informatization and industrialization management system, and a number of enterprises have been certified as provincial benchmark enterprises of intelligent manufacturing. The Group's digital transformation plan for the next three years includes the launch of the "Digital CIMC", which aims to promote the Group's digital transformation through its establishment. As an important part of the "Digital CIMC", through the establishment and guidance of the full capability of the demonstration enterprises and with the global lighthouse factory as the benchmark and construction target for the entire Group's intelligent manufacturing, the Group will combine its innovative work to comprehensively promote the new industrialization and realize the transformation and upgrading of the manufacturing industry while continuing to promote and explore the value of the existing industrial Internet.

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R&D investments of the Company

	2020	2019	Proportion of changes
Number of R&D personnel (person) (note)	4,492	4,120	9.03%
Proportion of R&D personnel	8.79%	8.29%	0.50%
Amount of R&D investments (RMB thousand)	1,641,391	1,486,985	10.38%
Proportion of R&D investments in revenue	1.74%	1.73%	0.01%
Capitalised amount of R&D investments (RMB thousand)	32,687	49,939	(34.55%)
Proportion of capitalized R&D investments in R&D investments	1.99%	3.36%	(1.37%)

Note: The numbers of R&D personnel in 2020 and 2019 have been adjusted in accordance with the statistical requirements for R&D personnel provided in the "Enterprise Research and Development Activities and Relevant Situations" issued by the National Bureau of Statistics.

Reasons for the significant change to the proportion of total R&D investments in revenue as compared with the previous year

Applicable Not Applicable

Reasons for the substantial change to the capitalisation rate of R&D investments and explanations for its reasonableness

Applicable Not Applicable

CHAPTER V
OPERATION DISCUSSION AND ANALYSIS PREPARED IN ACCORDANCE
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5. Cash Flows

Unit: RMB thousand

Item	2020	2019	Year-on-year change
Subtotal of cash inflows of operating activities	99,324,035	90,165,152	10.16%
Subtotal of cash outflows of operating activities	86,513,549	86,626,630	(0.13%)
Net cash flows from operating activities	12,810,486	3,538,522	262.03%
Subtotal of cash inflows of investing activities	2,123,983	1,325,379	60.25%
Subtotal of cash outflows of investing activities	5,662,787	10,409,536	(45.60%)
Net cash flows from investing activities	(3,538,804)	(9,084,157)	61.04%
Subtotal of cash inflows of financing activities	44,381,254	87,407,283	(49.22%)
Subtotal of cash outflows of financing activities	50,920,818	83,793,641	(39.23%)
Net cash flows from financing activities	(6,539,564)	3,613,642	(280.97%)
Net increase/(decrease) of cash and cash equivalents	2,550,355	(1,872,868)	236.17%

Reasons for the major factors affecting significant changes in relevant information as compared with the same period of previous year

Applicable Not Applicable

During the Reporting Period, the Group's net cash flows from operating activities increased by 262.03% as compared with the same period of last year, which was mainly due to the significant increase in sales revenue. The Group's net cash flows from investing activities increased by 61.04% as compared with the same period of last year, which was mainly due to the significant decrease in expenses for acquisition of fixed assets, intangible assets and other long-term assets and cash payment for external investment as a result of strict control over investments by the Group during the outbreak of the epidemic. Net cash flows from financing activities decreased by 280.97% as compared with the same period of last year, due to the lower demand for external financing as a result of the increase in net cash inflows from operating activities and significant decrease in cash payment in investing activities.

Reasons for major differences between the net cash flows of operating activities of the Company and the net profit of the Year during the Reporting Period

Applicable Not Applicable

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III. ANALYSIS OF NON-PRINCIPAL BUSINESSES

✓ Applicable □ Not Applicable

Unit: RMB thousand

	Amount	Proportion in total profit	Explanation on the formation	Sustainable or not
Asset impairment losses	582,437	7.99%	Mainly represents the inventories and costs incurred to fulfil a contract	No
Investment income	5,300,880	72.71%	Mainly from the difference between the fair value of the remaining equity interest less the share of the net assets of the former CIMC Chancheng and its subsidiaries calculated in proportion to the original shareholding is included in investment income for the period in which control is lost, and other comprehensive income relating to the former CIMC Chancheng and its subsidiaries is transferred to investment income for the period in which control is lost, which was due to the dilution of the Group's equity interest in CIMC Chancheng as a result of the capital increase from Country Garden and Qujiang Cultural Industry Investment to CIMC Chancheng during the year	No
Fair value gains	144,853	1.99%	Mainly represents the fair value gains on derivative financial instruments	No
Gains on disposals of assets	115,503	1.58%	Mainly represents gains on disposals of fixed assets	No

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IV. ASSETS AND LIABILITIES

1. Significant Changes in Assets

Unit: RMB thousand

	As at the end of 2020		As at the end of 2019		Changes from previous year to this year (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Inventories	15,472,164	10.58%	41,302,279	24.00%	(62.54%)	Mainly represents the impact of deconsolidation of CIMC Chancheng
Long-term equity investments	9,098,584	6.22%	5,363,574	3.12%	69.64%	Mainly represents the impact of deconsolidation of CIMC Chancheng
Investment properties	1,437,970	0.98%	2,769,715	1.61%	(48.08%)	Mainly represents the impact of deconsolidation of CIMC Chancheng

2. Assets and Liabilities Measured at Fair Value

Please refer to note XVI.6 of “Chapter XIV Financial Statements Prepared in Accordance with CASBE” for details on the Group’s assets and liabilities measured at fair value during the Reporting Period.

3. Restricted Asset Rights as at the End of the Reporting Period

For details of the restricted asset rights of the Group as at the end of the Reporting Period, please refer to note IV. 28 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

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V. INVESTMENTS

1. General Information

Applicable Not Applicable

Unit: RMB thousand

Investment amount in the Reporting Period	Investment amount in the same period of previous year	Change
2,628,724	3,001,317	(12.41%)

2. Material Equity Investments during the Reporting Period

Applicable Not Applicable

3. Material Non-equity Investments in Progress during the Reporting Period

Applicable Not Applicable

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4. Financial Asset Investments

(1) Securities Investments

Applicable Not Applicable

Unit: RMB thousand

Securities	Stock code	Abbreviation of stock name	Initial investment cost	Modes of accounting measurement	Book value at the beginning of the Reporting Period	Profit or loss arising from changes in fair value during the Reporting Period	Cumulative changes in fair value in equity	Purchases for the Reporting Period	Sales for the Reporting Period	Profit or loss during the Reporting Period	Book value at the end of the Reporting Period	Classification in accounting	Source of funds
H Share	6198	Qingdao Port	128,589	At fair value	200,206	(62,052)	-	-	159,288	40,167	-	Financial assets held for trading	Self-owned funds
		Other securities investments held at the end of the Reporting Period	-	-	-	-	-	-	-	-	-	-	-
Total			128,589		200,206	(62,052)	-	-	159,288	40,167	-	-	-
Announcement date of the Board approving securities investments			Nil										
Announcement date of the general meeting approving securities investments (if any)			Nil										

(2) Other Listed Company Equities Held

Unit: RMB thousand

Stock code	Abbreviation of stock name	Initial investment amount	Number of shares held (thousand shares)	Shareholding percentage (%)	Book value at the end of the year	Profit or loss during the Reporting Period	Change in equity during the Reporting Period	Classification in accounting	Source of shareholding
ASX: OEL	Otto Energy	13,480	13,521	0.36%	611	-	(1,397)	Other equity instruments	Share acquisition
HKEX: 00697	Shougang Concord International	182,212	1,047,931	4.36%	388,057	-	38,963	Other equity instruments	Share acquisition
HKEX: 206	CMIC Ocean	204,326	185,600	6.05%	42,726	2,502	-	Long-term equity investments	Share acquisition

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(3) Investment in Derivatives

✓ Applicable □ Not Applicable

Unit: RMB thousand

Name of derivatives investment operator	Relationship with the Group	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the Reporting Period	Purchase during the Reporting Period	Sale during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the Reporting Period	Proportion of investment amount at the end of the Reporting Period to the net assets of the Company at the end of the Reporting Period	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered and other banks	Nil	No	Forward foreign exchange contracts	-	2019/5/20	2022/10/31	10,675,492	-	-	-	24,412,232	55.46%	521,472
HSBC	Nil	No	Forward foreign exchange contracts	-	2020/2/24	2021/4/21	42,886	-	-	-	11,702	0.03%	120
Standard Chartered, Deutsche Bank and other banks	Nil	No	Interest rate swap contracts	-	2016/7/5	2022/3/9	14,023,609	-	-	-	9,132,420	20.75%	(142,076)
Hicend Futures Co., Ltd.	Nil	No	steel future contracts	-	2020/12/31	2021/1/4	-	-	-	-	896	0.00%	(2)
Total				-	-	-	24,741,987	-	-	-	33,557,250	76.24%	379,514
Source of funds for derivatives investments				Self-owned funds									
Litigation case (if applicable)				N/A									
Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any)				Nil									
Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Shareholders' general meeting (if any)				Nil									
Risk analysis and explanations on risk control measures for positions in derivatives during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operation risk and legal risk etc.)				As of 31 December 2020, the derivative financial instruments held by the Group were mainly forward foreign exchange, interest rate swap, foreign exchange option contracts and steel future contracts. The risks of interest rate swap contracts were closely related to the fluctuation of interest rates. The risks carried by foreign exchange forwards and foreign exchange option were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The risks of steel future contracts were related to the fluctuation of raw material prices. The Group's control measures on the derivative financial instruments was mainly reflected in: making prudent selection and decision on the type and quantity of newly-added derivative financial instruments; as to derivatives transactions, the Group developed rigorous internal approval systems and operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.									
Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives				In 2020, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB379,514,000. Fair values of the derivative financial instruments of the Group were determined based on market price quotations from external financial institutions.									
Explanations on any significant changes in the Company's accounting policies and specific accounting principles on derivatives for the Reporting Period as compared with those for the last reporting period				No									
Specific opinions of independent Directors on the derivatives investments and risk control of the Company				The Company carried on derivatives hedging business for the purpose of the day-to-day international business operations of the Company in order to smooth or lower the uncertainty impact of the operations of the Company due to the change in exchange rates and interest rates as well as raw material spot price fluctuations while adhering to the fundamental principle of value-preserving and prohibiting speculative transaction. The Company has attached great importance and continuously enhanced the management of derivatives hedging business as well as developed and continuously improved relevant management systems. The related approval process is compliant with the requirements of the laws and regulations and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.									

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5. Use of Raised Proceeds

Applicable Not Applicable

(1) General Utilisation of Raised Proceeds

Applicable Not Applicable

All the proceeds have been fully used by the Company in 2017.

(2) Projects Committed with Raised Proceeds

Applicable Not Applicable

(3) Change of Projects to be Invested with Raised Proceeds

Applicable Not Applicable

VI. DISPOSAL OF SUBSTANTIAL ASSETS AND EQUITY INTERESTS

1. Disposal of Substantial Assets

Applicable Not Applicable

2. Disposal of Substantial Equity Interests

Applicable Not Applicable

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VII. ANALYSIS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Applicable Not Applicable

Please refer to the relevant information contained in “II. Review of Principal Businesses During the Reporting Period” under “Chapter IV Report of the Board” of this Report for the details of operations of principal subsidiaries and associates. The details on the subsidiaries that began and ceased to be consolidated into the accounts of the Group during the Reporting Period are set out in note V to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

Subsidiaries or associates contributing to more than 10% of the Company’s net profits

Unit: RMB thousand

Company name	Company type	Principal activities	Registered capital	Total assets	Net assets	Revenues	Operating profits	Net profits
CIMC Vehicles (Note)	Subsidiary	Road transportation vehicles business	1,765,000	19,825,160	10,448,700	26,247,156	1,517,698	1,269,347

Note: CIMC Vehicles is a company listed on the Hong Kong Stock Exchange, and the financial data in the table above is extracted from its 2020 results announcement.

Details on obtaining and disposing subsidiaries during the Reporting Period

Applicable Not Applicable

Company name	Method of obtaining and disposing subsidiaries	Impact on overall production and operation and performance
Shenzhen CIMC Chancheng Development Co., Ltd. and its subsidiaries	Loss of control due to the capital increase from other parties	Investment income of approximately RMB4,399 million arising from the disposal of CIMC Chancheng
Shenzhen CIMC Intelligent Technology Co., Ltd.	Loss of control due to the transfer of 55% equity interest	No significant impact
Suzhou CIMC Liangcai Logistics Technology Co. Ltd.	Cash acquisition	No significant impact
Zhenjiang Shen Xing Tai Bao Technology Co., Ltd.	Cash acquisition	No significant impact
Lindenau Full Tank Services GmbH	Cash acquisition	No significant impact
McMillan (Coppersmiths & Fabricators) Ltd.	Cash acquisition	No significant impact

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VIII. STRUCTURED BODY CONTROLLED BY THE COMPANY

Applicable Not Applicable

IX. OUTLOOK FOR FUTURE DEVELOPMENT

For details of outlook for the future development of the Group, please refer to “III. Future Development and Outlook of the Company” of “Chapter IV Report of the Board” in this Report.

X. RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS

Register of reception of research, communications and interviews during the Reporting Period

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
27 March 2020	Office of the Company	Tele conference	Institutional investor	Southwest Securities and its customers	2019 annual results
27 March 2020	Office of the Company	Online webcasting	Institutional Investor and individual investor	Online institutions and individual investors	Same as above
23 April 2020	Office of the Company	Tele conference	Institutional investor	Wuhan Chengyeliantou Investment (武漢成業聯投資)	Principal business performance, investment progress, recent industrial development performance and industry outlook
23 June 2020	Office of the Company	Tele conference	Institutional investor	China Merchants Securities, TF Securities and Southern Asset Management	Same as above
28 August 2020	Office of the Company	On-site meeting + online webcasting	Institutional, small and medium sized investor	Shenwan, Pacific Securities, online institutions and individual investors	Results of the first half of 2020
1 September 2020	Office of the Company	Tele conference	Institutional investor	UBS	Same as above
30 October 2020	Office of the Company	field research	Institutional investor	Bosera Funds, Industrial Securities	Results of the first three quarters of 2020
2 November 2020	Office of the Company	Tele conference	Institutional investor	Southwest Securities and its customers	Principal business performance, investment progress, recent industrial development performance and industry outlook

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Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
6 November 2020	Office of the Company	Tele conference	Institutional investor	Guotai Junan and its customers	Same as above
7 November 2020	Office of the Company	Tele conference	Institutional investor	Zhongtai Securities	Same as above
9 November 2020	Office of the Company	Tele conference	Institutional investor	Huajin Securities, GF Securities, ChengEn Capital (成恩資本), Go Hedge	Same as above
17 November 2020	Office of the Company	Tele conference	Institutional investor	Soochow Securities	Same as above
30 November 2020	Office of the Company	Tele conference	Institutional investor	China Everbright Securities, CCB Principal Asset Management	Same as above
8 December 2020	Shenzhen	SZSA Online Collective Reception Day (深上協網上集體接待日活動)	small and medium sized investor	Online small and medium sized investor	Same as above
24 December 2020	Office of the Company	Tele conference	Institutional investor	China Merchants Securities	Same as above
Number of receptions					15
Number of organisations received					14
Number of individuals received					3
Number of other parties received					0
Whether disclosed any undisclosed major information					No

CHAPTER VI

MANAGEMENT DISCUSSION AND ANALYSIS PREPARED IN ACCORDANCE WITH THE HONG KONG SECURITIES REGULATORY RULES

The following contents are the financial resource reviews prepared in accordance with the relevant provisions of the Hong Kong Listing Rules. The following discussion and analysis shall be read together with other chapters of this Report and the audited financial statements of the Group and notes thereto prepared in accordance with CASBE.

CONSOLIDATED OPERATING RESULTS AND SEGMENT INFORMATION

Unit: RMB thousand

In 2020, the Group recorded revenue of RMB94,159.083 million (2019: RMB85,815.341 million) and profit attributable to Shareholders and other equity holders of the Company of RMB5,349.613 million (2019: RMB1,542.226 million), representing a year-on-year increase of 9.72% and 246.88%, respectively. For details of segment results, please refer to “II. Review of Principal Businesses During the Reporting Period” under “Chapter IV Report of the Board”, “2. Income and Cost” of “II. Analysis of Principal Businesses” of “Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules” and note IV.52 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

COST OF SALES

For details, please refer to “2. Income and Cost” of “II. Analysis of Principal Businesses” of “Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules” and note IV.52 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

Segment	2020		2019	
	Cost of sales	Percentage in total cost of sales(%)	Cost of sales	Percentage in total cost of sales(%)
Container manufacturing	18,908,451	23.43%	18,469,400	25.18%
Road transportation vehicles	23,031,474	28.53%	20,016,317	27.29%
Energy, chemical and liquid food equipment	11,092,604	13.74%	12,455,174	16.98%
Offshore engineering	5,483,154	6.79%	4,468,230	6.09%
Airport facilities, fire safety and automated logistics equipment	4,792,871	5.94%	4,647,549	6.34%
Heavy trucks	1,745,982	2.16%	2,289,078	3.12%
Logistics services	9,888,356	12.25%	8,343,992	11.37%
Finance and asset management	1,422,726	1.76%	1,946,843	2.65%
Unit load business	2,622,318	3.25%	—	—
Others	3,397,687	4.21%	3,743,670	5.10%
Industrial city development (note)	1,354,668	1.68%	645,628	0.88%
Combined offset	3,025,420	3.74%	(3,670,276)	(5.00%)
Total	80,714,871	100.00%	73,355,605	100.00%

Note: The 2020 figures of industrial city development business cover the period from January 2020 to October 2020, while the 2019 figures cover the full year of 2019.

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GROSS PROFIT MARGIN AND PROFITABILITY

The overall gross profit margin of the Group in 2020 was 14.28%, lower than the same period last year. The table below lists the gross profits and gross profit margins of the Group's major segments during the following periods:

Unit: RMB thousand

Segment	2020		2019	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
Container manufacturing	3,255,172	14.69%	1,693,382	8.40%
Road transportation vehicles	3,467,491	13.09%	3,319,061	14.22%
Energy, chemical and liquid food equipment	2,198,969	16.54%	2,619,942	17.38%
Offshore engineering	(57,760)	(1.06%)	48,345	1.07%
Airport facilities, fire safety and automated logistics equipment	1,295,849	21.28%	1,314,623	22.05%
Heavy trucks	(51,833)	(3.06%)	259,475	10.18%
Logistics services	747,545	7.03%	813,296	8.88%
Finance and asset management	755,113	34.67%	266,156	12.03%
Unit load business	413,622	13.62%	—	—
Others	597,222	14.95%	557,611	12.96%
Industrial city development (note)	818,753	37.67%	790,368	55.04%
Combined offset	4,069	—	777,477	—
Total	13,444,212	14.28%	12,459,736	14.52%

Note: The 2020 figures of industrial city development business cover the period from January 2020 to October 2020, while the 2019 figures cover the full year of 2019.

COSTS OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES AND FINANCIAL EXPENSES

For details of costs of sales, general and administrative expenses, the research and development expenses and financial expenses of the Group during the Reporting Period, please refer to "3. Expenses" and "4. R&D Investment" of "II. Analysis of Principal Businesses" of "Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules" and note IV. 54, 55, 56 and 57 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

NON-OPERATING INCOME

During the Reporting Period, the Group's non-operating income amounted to RMB248.615 million (2019: RMB198.534 million), representing a year-on-year increase of 25.23%. For details, please refer to note IV. 65 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

PROVISIONS FOR ASSET IMPAIRMENT AND LOSSES

During the Reporting Period, the Group made provisions for asset impairment totaling RMB1,193.965 million (2019: RMB6,029.373 million), representing a year-on-year decrease of 80.20%, mainly due to the large provision for asset impairment of offshore engineering platforms made by the Group during the same period of the previous year. For details, please refer to note IV. 27 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

INCOME TAX EXPENSE

During the Reporting Period, the Group's income tax expense amounted to RMB1,278.666 million (2019: RMB3,103.761 million), representing a year-on-year decrease of 58.80%, mainly due to the substantial income tax expenses related to revenue from land recognized in the same period of the previous year. For details, please refer to note IV. 67 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

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PROFIT ATTRIBUTABLE TO MINORITY SHAREHOLDERS

In 2020, the Group's profit attributable to minority Shareholders amounted to RMB662.127 million (2019: RMB967.887 million), representing a year-on-year decrease of 31.59%, mainly due to an decrease in profits for the period of the companies with minority shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 31 December 2020, the Group's cash at bank and on hand amounted to RMB12,181.415 million (31 December 2019: RMB9,714.792 million), which increased primarily as a result of the fund provision in response to the outbreak of the epidemic. Details are set out in note IV. 1 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

For details of the cash flow data of the Group during the Reporting Period, please refer to "5. Cash Flows" of "II. Analysis of Principal Businesses" of "Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules" and note IV. 69 and 70 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

The Group's development funds primarily consist of cash derived from operation, bank loan and other borrowings. The Group's cash demands mainly come from production and operation, repayment of matured liability, capital expenditure, payment of interests and dividends, and other unexpected cash demands. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the bank loans falling due and ensure business development.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2020, the Group's short-term borrowings, current portion of long-term borrowings, debentures payable due within one year, long-term borrowings and debentures payable in aggregate amounted to RMB48,444.491 million (31 December 2019: RMB65,795.689 million). Details of bank loans and other borrowings of the Group as at 31 December 2020 are set out in note IV. 29, 38, 40 and 41 to "Chapter XIV Financial

Statements Prepared in Accordance with CASBE" in this report.

Unit: RMB thousand

	As at 31 December 2020	As at 31 December 2019
Short-term borrowings	8,416,701	17,557,197
Current portion of long-term borrowings	12,358,104	9,306,141
Debentures payable due within one year	2,017,874	-
Long-term borrowings	19,562,326	30,918,302
Debentures payable	6,089,486	8,014,049
Total	48,444,491	65,795,689

In 2020, interest capitalized by the Group was RMB746.740 million (2019: RMB1,181.927 million).

The Group's bank borrowings are mainly denominated in U.S. dollars, with the interest payments computed at fixed rates and floating rates. As at 31 December 2020, the Group's long-term interest bearing debts are mainly RMB-denominated floating rate contracts amounted to RMB12,222.594 million (31 December 2019: RMB20,626.847 million). The interest rate range of the Group's short-term borrowings is 1.11% to 4.90% (31 December 2019: 1.40% to 6.31%), and the interest rate range of long-term borrowings is 1.20% to 6.87% (31 December 2019: 1.20% to 6.87%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB14,441.604 million (31 December 2019: approximately RMB22,444.195 million). The long-term borrowings are mainly expired within five years. There is no seasonal feature in respect of the Group's need for borrowing, which is mainly based on the Group's capital and business needs. For details, please refer to notes IV. 40 and XVI. 3 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this report.

The Group's issued debentures are mainly denominated in RMB, with the interest payments computed at fixed rates. As at 31 December 2020, the remaining fixed-rate debentures issued by the Group amounted to RMB8,107.360 million (31 December 2019: RMB8,014.049 million). The maturity date of debentures is mainly distributed within one to three years. For details, please refer to note IV. 41 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this report.

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OTHER EQUITY INSTRUMENTS

Unit: RMB thousand

	31 December 2019	Issued in the year	Interest- bearing at par value	Payment in the year	Other increase in the year	31 December 2020
18 Hai Yun Ji Zhuang MTN002	2,006,165	–	103,400	(103,400)	–	2,006,165
18 Renewable Corporate Bonds (Tranche 1)	2,001,380	–	97,000	(97,000)	–	2,001,380
Perpetual debt investment contract	–	2,000,000	73,579	(1,773,082)	–	300,497
Total	4,007,545	2,000,000	273,979	(1,973,482)	–	4,308,042

	31 December 2018	Issued in the year	Interest- bearing at par value	Payment in the year	Other increase in the year	31 December 2019
18 Hai Yun Ji Zhuang MTN002	2,006,165	–	103,400	(103,400)	–	2,006,165
18 Renewable Corporate Bonds (Tranche 1)	2,001,380	–	97,000	(97,000)	–	2,001,380
Total	4,007,545	–	200,400	(200,400)	–	4,007,545

On 24 October 2018, the Company issued an unsecured perpetual debt with amount of RMB2 billion at par (“**18 CIMC MTN002**”). The net amount after deducting the issue fee was RMB1,987,264,000. The equity instrument was issued for general corporate finance purposes. The interest rate of the equity instrument is 5.17% per annum for the first three interest-bearing years and are paid annually from 26 October 2019 and the Company can choose a deferred interest payment. From the fourth interest-bearing year, the coupon rate is reset every three years. The equity instrument has no fixed expiry dates and may be redeemed by the Company at the par value, together with a payment of any accrued, unpaid or deferred interest on or after 26 October 2021 or later every three interest-bearing years. Before the settlement of deferred interest (including the interest of deferred interest), the issuer can not distribute dividend or reduce capital etc.

On 3 December 2018, the Company issued an unsecured perpetual debt with amount of RMB2 billion at face value (“**18 First Phase Renewable Corporate Bond**”). The net amount after deducting the issue fee was RMB1,994,340,000. The equity instrument is issued for general corporate finance purposes. The interest rate of the equity instrument is 4.85% per annum for the first three interest-bearing years and are paid annually from 5 December 2019 and the Company can choose a deferred interest payment. From the fourth interest-bearing year, the coupon rate is reset every three years. The equity instrument has no fixed expiry dates and may be redeemed by the Company at the par value, together with a payment of any accrued, unpaid or deferred interest on or after 5 December 2021 or later every three interest-bearing years.

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On 30 April 2020, the Company and a bank signed an agreement that the bank shall invest in the Company's perpetual debt with the funds legally raised and entitled to be used by issuing bank's financial planning, and amount of investment capital received by the Company is RMB2,000,000,000. The investment plan is made for general corporate financing purposes and the initial investment period is 24 months with initial investment rate of 5.5%. The investment plan does not have a fixed maturity and the Company may apply to the bank for partial or full redemption of the perpetual debt on the date corresponding to and on any date after the expiry of 6 months from the placement date of the investment fund of the perpetual debt. Before the settlement of the deferred interest (including the interest of deferred interest), the Company cannot carry out distribution of dividend, capital reduction or other actions. As at 30 December 2020, the Company redeemed the perpetual debt in the amount of RMB1,700,000,000. As the aforementioned perpetual debt did not constitute a contractual obligation to pay cash or other financial assets that the Company could not avoid, it was classified as an equity instrument and presented as other equity instruments.

CAPITAL STRUCTURE

The Group's capital structure consists of equity interests attributable to Shareholders and liabilities. As at 31 December 2020, the Group's equity interests attributable to Shareholders amounted to RMB53,853.844 million (31 December 2019: RMB55,037.978 million); the total liabilities amounted to RMB92,357.667 million (31 December 2019: RMB117,069.543 million) and the total assets amounted to RMB146,211.511 million (31 December 2019: RMB172,107.521 million). For the significant changes in the Group's assets and liabilities during the Reporting Period, please refer to "IV. Assets and Liabilities" of "Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules" in this Report.

As at 31 December 2020, the gearing ratio of the Group was 63% (31 December 2019: 68%), representing a year-on-year decrease of 5%. The Group is committed to maintaining an appropriate combination of equity and liability, in order to maintain an effective capital structure and provide maximum returns for shareholders. (Note: the gearing ratio is calculated based on the Group's total debts divided by its total assets as at the respective dates.)

FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The majority currency of the Group's business revenue is U.S. dollars, while most of its expenditure is made in Renminbi. Currently, the PRC government has implemented a regulated floating exchange rate regime based on market supply and demand with reference to a basket of currencies. However, Renminbi is still regulated in capital projects. As the exchange rates of Renminbi are affected by domestic and international economic and political situations, and demand for and supply of Renminbi, and the future exchange rates of Renminbi against other currencies may vary significantly from the current exchange rates, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group's operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk to take appropriate measures to avoid foreign exchange risk. For details of the foreign exchange hedging contracts held by the Group during the Reporting Period, please refer to notes IV. 3, 15 and 44 and XVI. 4 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

CHAPTER VI MANAGEMENT DISCUSSION AND ANALYSIS PREPARED IN ACCORDANCE WITH THE HONG KONG SECURITIES REGULATORY RULES

INTEREST RATE RISK

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 31 December 2020, the Group held 9 unsettled interest rate swap contracts denominated in U.S. dollars, the nominal value of which amounted to a total of USD1,400,000,000. Their fair value of RMB94,667,000 was accounted as liabilities with RMB74,923,000 included in current liabilities and RMB19,744,000 in other non-current liabilities. These contracts will expire from 19 April 2021 to 9 March 2022. For details, please refer to notes IV. 3, 15, and 44 and XVI. 3 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

CREDIT RISK

The Group’s credit risk is primarily attributable to cash at bank and on hand, notes receivable, receivables and derivative financial instruments entered into for hedging purposes and etc. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group set out in Chapter X, the Group does not provide any other guarantees which would expose the Group to credit risk. Exposure to these credit risks is monitored by the management on an ongoing basis. For details, please refer to note XIV. 1 to “Chapter XVI Financial Statements Prepared in Accordance with CASBE” in this Report.

CAPITAL COMMITMENTS

As at 31 December 2020, the Group had capital expenditure commitments of approximately RMB118.935 million (31 December 2019: RMB340.141 million), which was mainly used for fixed assets purchase contracts entered into but not performed or performed partially, external investment contracts entered into but not performed or performed partially. For details, please refer to note XI. 1(1) to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

SUBSIDIARIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES OF THE GROUP

For the subsidiaries, jointly controlled companies and associated companies of the Group as at 31 December 2020, please refer to note IV. 17 and note VI to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report for details.

PLEDGE OF ASSETS

As at 31 December 2020, restricted assets of the Group amounted to a total of RMB9,465.867 million (31 December 2019: RMB18,543.985 million). For details of the Group’s pledge of assets, please refer to note IV.28 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

SIGNIFICANT INVESTMENTS AND MAJOR ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES

During the Reporting Period, apart from the disposal of a subsidiary CIMC Chancheng, the Group did not have any significant investment, major acquisition or disposal of subsidiaries, associated companies and joint ventures. During the Reporting Period, no significant investment accounted for 5% or more of the total assets of the Company at the balance sheet date. Please refer to notes IV. 17 and note V to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report for details.

CHAPTER VI MANAGEMENT DISCUSSION AND ANALYSIS PREPARED IN ACCORDANCE WITH THE HONG KONG SECURITIES REGULATORY RULES

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS, EXPECTED SOURCE OF FUNDING, CAPITAL EXPENDITURE AND FINANCING PLAN

The Group's operating and capital expenditures are mainly financed by our own funds and external financing. Concurrently, the Group will take a prudent attitude in order to enhance its future operating cash flow. According to the changes in economic situation and operating environment, as well as the needs of the Group's strategic upgrade and business development, the capital expenditure of the Group is expected to be approximately RMB7.3 billion in 2021, mainly used in the acquisition of fixed assets, intangible assets and long-term assets etc. The Group will continue to consider various types of financing arrangements.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group had no contingent liabilities (the Group had no contingent liabilities in 2019).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, there were approximately 51,100 employees of the Group (31 December 2019: 49,715 employees) in the PRC. For composition of the employees, please refer to "VII. Employees of the Company" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" in this Report. The total staff cost during the Reporting Period, including Directors' remuneration, contribution to the retirement benefit schemes and share option incentive schemes, amounted to approximately RMB8,828.911 million (2019: approximately RMB8,159.122 million). For details, please refer to note IV. 58 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

The Group provides salary and bonus payment to its employees based on their performance, position value, qualification, experience and market conditions. The share option incentive scheme aims to recognise the previous contribution of directors and core employees to the Group and reward them for their long-term services. Other benefits include social insurance required by the Chinese government. The Group regularly reviews its remuneration policies, including directors' remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and the market conditions.

EMPLOYEE TRAINING PROGRAMME

The Company has built a multi-level and composite talent training system with its core human resources philosophy of "people-oriented and mutual business", including: new employees training, general skills training, professional training, leadership training programme and international talent training programme. Meanwhile, the Group has also provided its employees with ample career development opportunities. The Group, based on its requirements from the strategic development on the talents, has built its employees' career development path (such as management, engineering technology, lean, finance, audit, etc.) to conduct effective career management and clarify career development direction for its employees with a view to increasing their capabilities.

CHAPTER VI

MANAGEMENT DISCUSSION AND ANALYSIS PREPARED IN ACCORDANCE WITH THE HONG KONG SECURITIES REGULATORY RULES

EMPLOYEE PENSION SCHEME

The Group has provided employees with basic pension insurance arranged by local human resources and social security bureaus. The Group makes contributions to the pension insurance at the applicable rates monthly based on the amounts stipulated by the government organization. When employees retire, the local human resources and social security bureaus are responsible for the payment of the basic pension benefits to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognised as liabilities during the accounting periods when the employees render services and are charged to profit or loss or capitalized in costs of related assets. For details, please refer to note II. 24 and note IV. 58 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

SHARE OPTION INCENTIVE SCHEME

The implementation of share option incentive scheme is helpful for the Group to establish an interest sharing and restraint mechanism among the directors, the management and the core employees, by which the management can better balance its short-term and long-term goals so as to attract and retain outstanding management candidates and key employees and stimulate sustainable value of incentives which will serve to guarantee the stable development of the Company in the long term and enhance its competitive strength. For details of the share option incentive scheme of the Company and its subsidiaries, please refer to “XV. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VIII Significant Events” in this Report.

MARKET RISKS

For details of the Group’s market risks, please refer to “4. Main Risk Factors for Future Development of the Group” of “III. Future Development and Outlook of the Company” under “Chapter IV Report of the Board” in this Report.

DIVIDEND DISTRIBUTION

Based on the Group’s 2020 operating results and taking into account the Group’s overall financial position and cash flows, the Board recommended a final dividend of RMB0.28 for every one share (including applicable taxes) for the year of 2020, no bonus shares will be issued, and no shares will be converted from capital reserve into share capital. The proposed dividend is expected to be payable on or around 20 July 2021. The proposed distribution plan of the final dividend of 2020 is subject to the shareholders’ approval at the forthcoming annual general meeting of the Company for the year of 2020.

USE OF PROCEEDS FROM GLOBAL OFFERING OF CIMC VEHICLES

Since 11 July 2019 (the “**Listing Date of CIMC Vehicles**”), CIMC Vehicles has been listed on the Hong Kong Stock Exchange. CIMC Vehicles offered 265,000,000 H Shares in total in the global offering. After reducing underwriting commissions and expenses in relation to the global offering, the net proceeds received by CIMC Vehicles from the global offering amount to approximately HK\$1,591.3 million. The nominal value of H Shares of CIMC Vehicles is RMB1.00 per share.

On 5 December 2019, 25 March 2020, 12 October 2020 and 20 November 2020, the board of directors of CIMC Vehicles further resolved to change the use of the net proceeds, please refer to the relevant announcements issued by CIMC Vehicles on the same days for details.

CHAPTER VI
MANAGEMENT DISCUSSION AND ANALYSIS PREPARED IN
ACCORDANCE WITH THE HONG KONG SECURITIES REGULATORY RULES

Use of the net proceeds received by CIMC Vehicles from the global offering and its utilization as at 31 December 2020, which are intended to be utilized in the next five years from the listing date of CIMC Vehicles are as follows:

Intended use of net proceeds	Intended amount (HK\$' million)	Utilised amount as of 31 December 2020 (HK\$' million)	Unutilised amount as of 31 December 2020 (HK\$' million)
Develop new manufacturing or assembly plants and upgrade the marketing model	1,102.7	325.1	777.6
– Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	39.2	28.6	10.6
– Develop a new assembly plant for high-end refrigerated trailers in the UK or Poland	38.5	12.7	25.8
– Develop a new automated production facility for refrigerated trailers in Monon, the US	165.4	154.4	11.0
– Develop a new assembly plant for swap bodies and chassis and flatbed trailers in the Netherlands	105.3	70.8	34.5
– Develop a new assembly plant for refrigerated trailers in Canada	39.0	11.5	27.5
– Develop a new manufacturing plant in Jiangmen, China	87.0	1.6	85.4
– Upgrade the marketing model in China (Note)	99.6	–	99.6
– Technological reform and informatization of plants in Xi'an, China	32.9	–	32.9
– Develop a new production plant in Baoji, China	70.0	–	70.0
– Construct a vehicle park in Kunming, China	78.4	45.5	32.9
– Expand semi-trailer production plant in Dongguan, China	118.4	–	118.4
– Expand dry bodies and refrigerated bodies production plant in Zhenjiang, China	35.5	–	35.5
– Expand production and assembly plant for chassis trailers in Rayong, Thailand	193.5	–	193.5
Research and develop new products	157.5	10.9	146.6
– Invest in industry funds	84.1	–	84.1
– Develop high-end refrigerated semi-trailers	26.3	5.1	21.2
– Develop other smart trailers	15.7	–	15.7
– Invest in product standardization, unit weight reduction and modularization in Europe and US plants	15.7	–	15.7
– Develop other trailer products	15.7	5.8	9.9
Repay the principal amount and interests of bank borrowings	157.5	153.8	3.7
Working capital and general corporate purposes	173.6	151.5	22.1
Total:	1,591.3	641.3	950.0

Note: As affected by the COVID-19 outbreak, the preliminary preparation for the project will take longer than originally planned. It is expected that CIMC Vehicles will use the proceeds from the global offering for the project no later than the end of 2022.

CHAPTER VII

REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

During the year of 2020, the Supervisory Committee of the Company has performed and discharged its duties and responsibilities conscientiously in accordance with the relevant provisions of the PRC Company Law and the Articles of Association.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

Session of meeting	Date	Supervisor attended	Name of proposal	Resolution	Searching index for the resolution published on designated websites	Disclosure date of the information cited in the resolution
The 1st meeting in 2020 of the 9th session of the Supervisory Committee	2020.3.23	Lin Feng/ Lou Dongyang/ Xiong Bo	Proposal regarding Bonus Balance Fund Operation under the Profit Sharing Scheme	Audit opinion on bonus balance fund operation under the Profit Sharing Scheme	www.cninfo.com.cn www.hkexnews.hk	2020.3.23
The 2nd meeting in 2020 of the 9th session of the Supervisory Committee	2020.3.26	Lin Feng/ Lou Dongyang/ Xiong Bo	1. Proposal regarding the 2019 Work Report of the Supervisory Committee; 2. Proposal regarding the 2019 Annual Report; 3. Proposal regarding the 2019 Assessment Report on Internal Control of China International Marine Containers (Group) Co., Ltd.; 4. Proposal regarding the Profit Distribution and Dividend Payment Plan for the year 2019; 5. Proposal regarding the Execution of Ordinary Related-party Transactions/ Continuing Connected Transaction in 2018; 6. Proposal regarding the Public Issuance of Corporate Bonds to Qualified Investors	1. Resolution regarding the 2nd meeting in 2020; 2. Opinion on the execution of ordinary related-party transactions/continuing connected transaction in 2019	www.cninfo.com.cn www.hkexnews.hk	2020.3.36
The 3rd meeting in 2020 of the 9th session of the Supervisory Committee	2020.4.20	Lin Feng/ Lou Dongyang/ Xiong Bo	-	-	-	-

CHAPTER VII REPORT OF THE SUPERVISORY COMMITTEE

Session of meeting	Date	Supervisor attended	Name of proposal	Resolution	Searching index for the resolution published on designated websites	Disclosure date of the information cited in the resolution
The 4th meeting in 2020 of the 9th session of the Supervisory Committee	2020.4.29	Lin Feng/ Lou Dongyang/ Xiong Bo	the First Quarterly Report of 2020 of CIMC	Audit opinion on the first quarterly report of 2020	-	-
The 5th meeting in 2020 of the 9th session of the Supervisory Committee	2020.8.27	Lin Feng/ Lou Dongyang/ Xiong Bo	1. Proposal regarding the 2020 Interim Report 2. Proposal regarding Proposed Amendments to the Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd.	1. Audit opinion on the 2020 interim report 2. Resolution regarding the amendments to the rules of procedure for the Supervisory Committee	www.cninfo.com.cn www.hkexnews.hk	2020.08.27
The 6th meeting in 2020 of the 9th session of the Supervisory Committee	2020.10.20	Lin Feng/ Lou Dongyang/ Xiong Bo	Proposal regarding Canceling Unexercised and Expired A Share Options in the Second Exercisable Period	Opinion on canceling unexercised and expired A Share Options in the second exercisable period	www.cninfo.com.cn www.hkexnews.hk	2020.10.20
The 7th meeting in 2020 of the 9th session of the Supervisory Committee	2020.10.27	Lin Feng/ Lou Dongyang/ Xiong Bo	the Third Quarterly Report of 2020 of CIMC	Audit opinion on the third quarterly report of 2020	-	-

The Supervisory Committee has no objection to the supervision matters during the Reporting Period.

II. SUPERVISORY COMMITTEE'S PRESENCE ON OTHER MEETINGS AND PERFORMANCE OF OTHER OBLIGATIONS

All members of the Supervisory Committee have attended the regular meetings convened by the Board during the Reporting Period.

CHAPTER VII REPORT OF THE SUPERVISORY COMMITTEE

III. OTHER MATTERS REVIEWED OR CONCERNED BY THE SUPERVISORY COMMITTEE

1. Opinion of the Supervisory Committee on the Lawful Operation of the Company

The Supervisory Committee of the Company conscientiously performs its duties in accordance with the applicable provisions of the PRC Company Law and the Articles of Association. During the year, the members of the Supervisory Committee attended all board meetings. They conducted supervision on the convening and decision-making procedures of the Shareholders' meeting and the Board meetings, the actual implementation of the resolutions passed at the Shareholders' meeting by the Board as well as the decision-making process and business operation process of the Company in accordance with the applicable laws and regulations. The Supervisory Committee considered that, during the year, the Company has made all decisions in accordance with legal procedures and its internal control system is sound. They are of the view that none of the Chairman and the CEO as well as senior management of the Company violated the Company's Articles of Association or were detrimental to the interests of the Company during their usual course of work, nor have they abused their powers to damage the interests of Shareholders or employees.

2. Opinion of the Supervisory Committee on Inspection of the Financial Status of the Company

During the Year, the Supervisory Committee has examined the Company's business and financial situation, audited the annual report and interim report, quarterly reports and other documents submitted by the Board. The Supervisory Committee is of the view that these financial statements truly and fairly represent the Company's financial position and operational results.

3. Opinion of the Supervisory Committee on the Actual Use of Proceeds from the Latest Fund Raising Exercise

The proceeds of the Company have been used up during the Reporting Period.

4. Opinion of the Supervisory Committee on the Acquisition and Disposal of Assets by the Company

During the Reporting Period, no insider trading in relation to the acquisition/disposal of assets by the Company was discovered.

CHAPTER VII REPORT OF THE SUPERVISORY COMMITTEE

5. Opinion of the Supervisory Committee on Ordinary Related-party Transactions/Continuing Connected Transactions of the Company

The continuing connected transactions/ordinary related-party transactions between the Company and COSCO SHIPPING Development Co., Ltd. ("**COSCO SHIPPING Development**") and its subsidiaries and associates as well as Merchants Shekou were entered into in the ordinary course of business and on normal commercial terms or more favorable and the transactions are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole. (Supervisor Lin Feng (林鋒) has abstained from voting on the continuing connected transactions/ordinary related-party transactions with COSCO SHIPPING Development, its subsidiaries and associates due to his position in COSCO SHIPPING Development and its associates; Supervisor Lou Dongyang has abstained from voting on the continuing connected transactions/ordinary related-party transactions with Merchants Shekou due to his positions in China Merchants Industry Holdings Company Limited and its associates.)

6. Opinion of the Supervisory Committee on the Operation of the Internal Control System of the Company and on the Self-assessment Report on the Internal Control of the Company

Having conducted an adequate verification of the Company's internal control pursuant to the requirements of Basic Norms for Enterprise Internal Controls and the auxiliary guidelines on corporate internal control as well as the Internal Control Guidelines for Companies Listed on the Shenzhen Stock Exchange, the Supervisory Committee is of the view: the Company's existing internal control system complies with the requirements of the applicable laws, regulations and rules and can satisfy all the requirements of effective risk control in all material aspects; Assessment Report on Internal Control of CIMC for 2020 objectively and truly represents how the Company's internal control system was established, operated, examined and supervised.

7. Opinion of the Supervisory Committee on the Inspection of the Company's Information Disclosure Management System

Having conducted an adequate verification of the Company's information disclosure management pursuant to the requirements of the Company's Information Disclosure Management System and relevant laws, regulations, rules and relevant guidelines, the Supervisory Committee is of the view: the Company can effectively manage and regulate the information disclosure affairs, the process of information disclosure of the Company is clear, the scope of duties and confidentiality responsibilities of information disclosure of the relevant personnel of the functional departments and subordinate subsidiaries are clear, and the risks are controllable, which can promote the legal and compliance operation of the Company and safeguard the legitimate rights and interests of shareholders, creditors and other stakeholders of the Company.

By Order of the Supervisory Committee
Lin Feng
Chairman of the Supervisory Committee

Shenzhen, the PRC
March 2021

CHAPTER VIII

SIGNIFICANT EVENTS

I. PROFIT DISTRIBUTION OF ORDINARY SHARES AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES OF THE COMPANY

Formulation, implementation or adjustment of profit distribution policy of ordinary shares (especially the cash dividend policy) during the Reporting Period

Applicable Not Applicable

The Company has adopted a stable dividend distribution policy in strict compliance with its relevant commitments in the Articles of Association. At present, the Company distributes dividend to Shareholders once a year, namely the final dividend, and the total profit distributed in the form of cash dividend shall not be less than 30% of the average annual distributable profit of the Company in the last three years. The Company's stable and active dividend distribution policy has received welcome from its Shareholders and fully protects the interests of its minority Shareholders. The Articles of Association specifically stipulates the Company's dividend distribution: the Company's final dividend will be determined at the general meeting by way of ordinary resolutions. The Company is in strict compliance with all relevant provisions under the Articles of Association over the years for its decision-making on dividend distribution. The Company strives to achieve outstanding operating results and a good return for its Shareholders.

Both of the Company's plan for profit distribution and plan for conversion of capital reserves into share capital comply with the Company's Articles of Association and other relevant provisions during the Reporting Period.

Particulars of Cash Dividend Policy

Was it in compliance with the requirements of the Company's Articles of Association and the resolution of the general meeting:	Yes
Was the dividend distribution criteria and proportion well-defined and clear:	Yes
Was the related decision-making process and mechanism in place:	Yes
Did independent Directors fulfill their duties and play their roles:	Yes
Were the minority Shareholders given opportunities to sufficiently voice their opinions and make requests and were their legal interests fully protected:	Yes
Were conditions and procedures legal and transparent in respect of the cash dividend policy with adjustments or changes:	Yes

There are no arrangements by which shareholders waived or agreed to waive any dividend.

The Company's profit distribution plans and the conversion plans of conversion of capital reserves into share capital in the past three years (the Reporting Period inclusive):

- The dividend payment plan for the year of 2020: based on the total share capital of the Company as at the dividend payment record date for the year of 2020, we distributed RMB0.28 in cash (including tax) for every 1 share, no bonus shares will be issued, and no shares will be issued by way of conversion of capital reserve. If calculated based on the total share capital of 3,595,013,590 shares of the Company as at 31 December 2020, it is expected that a total dividend of RMB1,006.604 million will be distributed. The proposed dividend is expected to be payable on or around 20 July 2021. The annual dividend distribution plan for 2020 shall be submitted to the Company's annual general meeting for consideration and approval.

CHAPTER VIII SIGNIFICANT EVENTS

- The dividend payment plan for the year of 2019: based on the total share capital of the Company as at the dividend payment record date for the year of 2019, we distributed RMB1.2 in cash (including tax) for every 10 shares, amounting to a total dividend of RMB430.348 million, no bonus shares will be issued, and no shares will be issued by way of conversion of capital reserve.
- The dividend payment plan for the year of 2018: based on the total share capital of the Company as at the dividend payment record date for the year of 2018, we distributed RMB5.5 in cash (including tax) for every 10 shares, amounting to a total dividend of RMB1,641.980 million, no bonus shares were issued, and additional 2 new shares will be issued to all Shareholders for every 10 shares being held by way of conversion of capital surplus and the accumulative converted shares are 597,088,446 Shares (including 253,773,125 A Shares and 343,315,321 H Shares).

Cash dividend payments of ordinary shares of the Company for the past three years (including the Reporting Period)

Unit: RMB thousand

Year	Amount of cash dividend (including tax)	Net profit attributable to ordinary Shareholders and other equity holders of the Company in the consolidated statements of the year declaring	% of amount of cash dividend to net profit attributable to ordinary Shareholders and other equity holders of the Company in the consolidated statements	Amount of cash dividend in other ways (i.e. share repurchase)	% of amount of cash dividend in other ways to net profit attributable to ordinary Shareholders of the Company in the consolidated statements	Cash dividend (including other ways) in total	% of cash dividend (including amount in other ways) in total to net profit attributable to ordinary Shareholders of the Company in the consolidated statements
2020 (Proposal)	1,006,604	5,349,613	18.82%	0	0.00%	1,006,604	18.82%
2019	430,348	1,542,226	27.90%	0	0.00%	430,348	27.90%
2018	1,641,980	3,380,436	48.57%	0	0.00%	1,641,980	48.57%

The Company recorded a profit during the Reporting Period, and the profit distributable to the ordinary Shareholders of the Company was positive. However, the Company did not propose a cash dividend distribution plan of ordinary shares

Applicable Not Applicable

CHAPTER VIII
SIGNIFICANT EVENTS

II. DESCRIPTION OF PROFIT DISTRIBUTION AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES DURING THE REPORTING PERIOD

Applicable Not Applicable

Number of bonus shares for every 1 share (share)	0
Dividend for every 1 share (RMB) (tax inclusive)	0.28
Number of shares converted for every 1 share (share)	0
Basis of share capital of distribution plan (share)	3,595,013,590
Amount of cash dividend (RMB thousand) (including tax)	1,006,604
Amount of cash dividend in other ways (i.e. share repurchase) (RMB)	0
Cash dividend in total (including amount in other ways) (RMB thousand) (tax included)	1,006,604
Distributable profit (RMB thousand)	8,842,542
% of cash dividend in total (including amount in other ways) to profit distribution	100%

Description of cash dividend

Where the Company is in its developing stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits. Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits.

Description of details of profit distribution or share capital increase by way of transfer from capital reserves

Based on the Group's 2020 operation results and taking into account the Group's overall conditions of financial position and cash flows, the Board recommended a final dividend of RMB0.28 per 1 share (including applicable taxes) for the year of 2020, no bonus shares will be issued, and no shares will be issued by way of conversion of capital reserve. The proposed distribution plan for the final dividend of 2020 is subject to Shareholders' approval at the annual general meeting.

CHAPTER VIII
SIGNIFICANT EVENTS

III. PERFORMANCE OF COMMITMENTS

1. Commitments Performed during the Reporting Period and Not Yet Fulfilled as at the End of the Reporting Period by the Company, Shareholders, the De Facto Controller, Acquirer, Director, Supervisor, Senior Management or Other Related Parties

Applicable Not Applicable

Commitment	Promisor	Contents of commitment	Date of commitment	Commitment period	Implementation
Other commitments made to minority Shareholders of the Company	The Company	In accordance with the relevant regulations, domestic residents are not eligible to purchase foreign stocks directly, so, domestic residents can only hold or sell its H Shares of the Company of which they legally possess due to the change of listing location of stocks of the Company, they are not eligible to subscribe the shares of the Company and other H shares or other overseas stocks, and also after the sales of H shares of the Company, the sales income must be timely transferred to the mainland. The Company promises domestic residents that before they are free to purchase overseas stocks, the Company will not finance by the means of allotment.	2012/8/15	Before domestic residents are free to buy overseas stocks.	In progress
	The Company	Shareholders' bonus return plan (2019 to 2021)	2019/3/27	2019 to 2021	In progress
The commitment is fulfilled in a timely manner or not	Yes				

2. The Company Has Made Profit Forecasts on its Assets or Projects, and the Profit Forecast Period is within the Reporting Period. The Company Has to State Whether the Original Profit Forecasts on Assets or Projects are Fulfilled and the Reasons Therefore

Applicable Not Applicable

CHAPTER VIII
SIGNIFICANT EVENTS**IV. APPROPRIATION OF THE LISTED COMPANY'S FUNDS BY CONTROLLING SHAREHOLDERS AND THEIR RELATED PARTIES FOR NON-OPERATING PURPOSES**

Applicable Not Applicable

There was no appropriation of funds of the listed Company for non-operating purposes by controlling Shareholders and their related parties during the Reporting Period.

V. STATEMENTS OF THE BOARD, THE SUPERVISORY COMMITTEE AND THE INDEPENDENT DIRECTORS ON THE "NON-STANDARD AUDITING REPORT" ISSUED BY THE ACCOUNTANT DURING THE REPORTING PERIOD

Applicable Not Applicable

VI. EXPLANATION OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND AUDIT METHOD IN COMPARISON WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR

Applicable Not Applicable

For details of the changes in accounting policies, accounting estimates and accounting methods, please refer to note II. 32 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report.

VII. EXPLANATION OF RETROSPECTIVE RESTATEMENT FOR ADJUSTMENT OF SIGNIFICANT ACCOUNTING ERRORS OCCURRED DURING THE REPORTING PERIOD

Applicable Not Applicable

During the Reporting Period, there were no retrospective restatements of significant accounting errors occurred to the Company.

VIII. EXPLANATION OF CHANGES IN THE SCOPE OF CONSOLIDATED STATEMENTS IN COMPARISON WITH FINANCIAL REPORT OF PREVIOUS YEAR

Applicable Not Applicable

Please refer to note V to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" as set out in this Report for enterprise merger and newly set up companies.

CHAPTER VIII SIGNIFICANT EVENTS

IX. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

The firms of accountants engaged currently

The engaged firm of accountants in the mainland	PricewaterhouseCoopers Zhong Tian LLP
Payment for the accountants	RMB12.17 million (including: the auditing fees amounting to RMB9.97 million and the auditing fees for the internal control amounting to RMB2.20 million)
Continuing service year of the accountants	9 years
CPA of the accountants	Cao Cuili, Guo Suhong

Whether to appoint another accounting firm during the Reporting Period

Yes No

The Company did not change its auditor over the past five years.

Particulars on recruitment of accounting firms, financial consultants or sponsors for internal control and auditing purposes

Applicable Not Applicable

During the Reporting Period, the Company engaged PricewaterhouseCoopers Zhong Tian LLP as its accounting firm for internal control and auditing purposes. The auditing fees for internal control for the year 2020 were RMB2.20 million.

X. DELISTING UPON DISCLOSURE OF ANNUAL REPORT

Applicable Not Applicable

XI. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable Not Applicable

During the Reporting Period, there were no bankruptcy or reorganization related issues of the Company.

XII. MATERIAL LAWSUITS AND ARBITRATIONS

Applicable Not Applicable

During the Reporting Period, there were no material lawsuits or arbitrations related issues of the Company.

CHAPTER VIII
SIGNIFICANT EVENTS**XIII. PENALTIES AND REMEDIES**

Applicable Not Applicable

During the Reporting Period, there were no penalties or remedies of the Company.

XIV. THE CREDIT WORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

During the Reporting Period, there was no effective judgment of the court failed to be satisfied by the Company or relatively large amount of debts due and outstanding.

XV. IMPLEMENTATION OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES**1. A Share(s) Share Option Incentive Scheme of the Company**

In order to establish and improve the incentive-constraint mechanism, and effectively combine the interests of the shareholders, the Company and its employees, an A share(s) share option incentive scheme was considered and approved at the extraordinary general meeting of the Company on 17 September 2010. According to such scheme, the first tranche of 54,000,000 share options (the "**First Tranche of Share Options**") were registered on 26 January 2011 and the reserved 6,000,000 share options (the "**Second Tranche of Share Options**") were registered on 17 November 2011. The effective period of such scheme is ten years from the first grant date of the share options (i.e. 28 September 2010).

On 12 May 2015, upon the consideration and approval at the eighth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the First Tranche of Share Options have met the exercise conditions and were actually exercisable starting from 2 June 2015 to 27 September 2020 with the total exercisable share options amounting to 39,660,000 share options. As at 9 October 2015, upon the consideration and approval at the fourteenth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the Second Tranche of Share Options have met the exercise conditions and were actually exercisable starting from 24 October 2015 to 27 September 2020 with the total exercisable share options amounting to 4,132,500 share options.

In 2020, the total share options exercised under the above mentioned A share(s) option incentive scheme amounted to 10,509,208 options, representing 17.95% of the total (adjusted), among which: 10,509,208 share options were exercised for the First Tranche of Share Options, and 0 share option was exercised for the Second Tranche of Share Options. As at the end of the exercisable period, i.e. 27 September 2020, the total share options exercised under the above mentioned A share(s) option incentive scheme cumulatively amounted to 37,911,118 (the sum of the shares of the second exercisable period for the First Tranche of Share Options and of the second exercisable period for the Second Tranche of Share Options), representing 64.76% of the total (adjusted). The implementation of the above mentioned A share(s) option incentive scheme has no significant impact on the financial conditions and operating results of the Company during the Reporting Period.

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On 20 October 2020, the Company convened the seventeenth meeting of the ninth session of the Board in 2020, and considered and approved the Resolution on Canceling Unexercised and Expired A Share Options in the Second Exercisable Period. The Board agreed that: (1) a total of 6,883,580 share options of the first tranche of A share options granted under the Share Option Incentive Scheme in September 2010, which were unexercised in the second exercisable period, would be cancelled; (2) a total of 2,670,660 share options of the second tranche of A share options granted under the Share Option Incentive Scheme on 22 September 2011, which were unexercised in the second exercisable period, would be cancelled. Based on the review and confirmation of China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company has completed all procedures related to the said cancellation of share options on 19 November 2020.

2. Summary of Employee Stock Ownership Plan of the Company

On 23 March 2020, the operation scheme of the Company to establish a trust plan by utilizing the surplus funds from the bonus balance of the profit sharing plan and make a contribution to the Partnership, which may be used by the Partnership to purchase H Shares of the Company in the secondary market, was considered and approved at the first meeting of the ninth session of the Board of the Company in 2020. The total scale of the fund for the operation scheme shall not exceed RMB343 million, the valid period of which is ten years commencing from the date of approval at the general meeting. The capital scale of the trust plan (first phase) under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC Group (Draft) (the "**Operation Scheme (Draft)**"), which is determined in accordance with the Operation Scheme, is RMB200 million, with the duration of five years. Such matter has been considered and approved at the 2019 annual general meeting, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020. As at 31 December 2020, the Partnership under the first phase of trust plan purchased 22,441,100 H Shares of the Company cumulatively through the Southbound Stock Connect in the secondary market, which accounted for 0.6242% of the total share capital of the Company. The average transaction price was HKD8.83 per share (tax and fees exclusive). As at 19 January 2021, the Company has completed the purchase of shares under the First Phase of the Trust Plan and the lock-up period for the H Shares of the Company purchased is 12 months. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-008, [CIMC]2020-009, [CIMC]2020-036, [CIMC]2020-047, [CIMC]2020-055, [CIMC]2020-075, [CIMC]2020-079, [CIMC]2021-002 and [CIMC]2021-003) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 23 March 2020, 1 June 2020, 22 June 2020, 30 June 2020, 3 August 2020, 3 September 2020, 30 September 2020, 6 January 2021 and 20 January 2021.

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3. The Subsidiary CIMC Enric:

(1) Share Option Incentive Scheme

CIMC Enric approved and adopted a share option plan at its extraordinary general meeting held on 12 July 2006. The plan aimed to reward and give benefit to employees, directors and other eligible persons of CIMC Enric for their contributions to CIMC Enric. CIMC Enric granted share options to several eligible persons on 28 October 2011 according to the plan, in order to subscribe to a total of 38,200,000 ordinary shares (“**2011 Enric Share Options**”); CIMC Enric granted share options to several eligible persons on 5 June 2014 according to the plan, in order to subscribe to a total of 38,420,000 ordinary shares (“**2014 Enric Share Options**”). Please refer to the related announcements of CIMC Enric as well as the regular reports of the Company published on the website of the Hong Kong Stock Exchange.

The table below sets out the changes in the share options granted under the share option incentive plan of CIMC Enric during the Reporting Period:

Directors of CIMC Enric	Date of Grant	Number of underlying shares comprised in share options					Balance as at 31 December 2020	Exercise price per share (HK\$)	Exercise period
		Balance as at 1 January 2020	Granted during the year	Exercised during the year	Transferred to/from other categories during the year	Lapsed during the year			
Gao Xiang	2011.10.28	500,000	-	-	-	-	500,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000	-	-	-	-	400,000	11.24	2016.06.05-2024.06.04
Yang Xiaohu	2011.10.28	200,000	-	-	-	-	200,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000	-	-	-	-	400,000	11.24	2016.06.05-2024.06.04
Yu Yuqun	2011.10.28	300,000	-	-	-	-	300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
Tsui Kei Pang	2011.10.28	300,000	-	-	-	-	300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
Zhang Xueqian	2011.10.28	300,000	-	-	-	-	300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
Employees of CIMC Enric	2011.10.28	14,002,000	-	(518,000)	-	(120,000)	13,364,000	2.48	2013.10.28-2021.10.27
	2014.06.05	26,770,000	-	-	(900,000)	25,870,000	11.24	2016.06.05-2024.06.04	
Other participants	2011.10.28	1,654,000	-	(44,000)	-	-	1,610,000	4.00	2013.10.28-2021.10.27
	2014.06.05	4,730,000	-	-	-	(240,000)	4,490,000	2.48	2016.06.05-2024.06.04
Total	-	50,456,000	-	(562,000)	-	(1,260,000)	48,634,000	-	-

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Notes:

1. Regarding the share options granted on 28 October 2011: Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of the options granted to any grantee become exercisable from 28 October 2013 and up to 27 October 2021; 30% of which become exercisable from 28 October 2014 and up to 27 October 2021; and the remaining 30% of which become exercisable from 28 October 2015 and up to 27 October 2021. The exercise price of all the options granted is HK\$2.48 per share.
2. Regarding the share options granted on 5 June 2014: Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of the options granted to any grantee become exercisable from 5 June 2016 and up to 4 June 2024; 30% of which become exercisable from 5 June 2017 and up to 4 June 2024; and the remaining 30% of which become exercisable from 5 June 2018 and up to 4 June 2024. The exercise price of all the options granted is HK\$11.24 per share.
3. The weighted average closing price of the shares immediately before the dates on which the options were exercised during the year ended 31 December 2020 was HK\$4.3346 per share.

Saved as disclosed above, no other options were granted, exercised, lapsed or cancelled by CIMC Enric for the year ended 31 December 2020.

(2) Restricted share award scheme

CIMC Enric approved and adopted issuance and allotment of a total of up to 50,000,000 restricted shares to the trustee as shares held in trust by selected participants to participate in the award scheme, and granted restricted shares to directors and other related selected participants at its extraordinary general meeting held on 10 August 2018. On 24 August 2018, the conditions precedent under the award scheme were fulfilled, and a total of 46,212,500 restricted shares were allotted to and accepted by the selected participants. For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange. A total of 3,400,000 restricted shares were granted to the directors in 2018. As the vesting conditions for the second vesting period have been met, a total of 1,020,000 restricted shares were vested in the directors of CIMC Enric during the Reporting Period. As of 31 December 2020, a total of 2,040,000 restricted shares have been vested in the directors of CIMC Enric as follows:

Directors of CIMC Enric	Date of Grant	Number of restricted shares			As at 31 December 2020	Vesting period
		As at 1 January 2020	Granted during the Reporting Period	Vested during the Reporting Period		
Gao Xiang	2018.8.24	700,000	-	(300,000)	400,000	2018.6.26-2022.6.25
Yang Xiaohu	2018.8.24	840,000	-	(360,000)	480,000	2018.6.26-2022.6.25
Yu Yuqun	2018.8.24	280,000	-	(120,000)	160,000	2018.6.26-2022.6.25
Wang Yu	2018.8.24	280,000	-	(120,000)	160,000	2018.6.26-2022.6.25
Zeng Han	2018.8.24	280,000	-	(120,000)	160,000	2018.6.26-2022.6.25
Total	-	2,380,000	-	(1,020,000)	1,360,000	-

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(3) 2020 Share Award Scheme

CIMC Enric has adopted the 2020 Share Award Scheme (hereafter referred to as the “**2020 Award Scheme**”) on 3 April 2020. The purposes of the 2020 Award Scheme are: (a) to provide eligible participants with an opportunity to own shares in CIMC Enric thereby aligning the interests of the eligible participants with that of the shareholders; (b) to incentivise eligible participants to benefit from value enhancement through delivery of performance targets; and (c) to encourage and retain eligible participants to make contributions to the long-term and sustainable growth of CIMC Enric. The 2020 Award Scheme forms part of the overall incentive plan for the employees of CIMC Enric. The shares to be granted to participants under the 2020 Award Scheme shall be in lieu of part of the cash bonus awarded under the overall incentive plan.

Subject to any early termination of the 2020 Award Scheme in accordance with its rules, the 2020 Award Scheme shall be valid and effective for a period of 10 years commencing from its adoption date. The total number of shares which may be purchased or issued pursuant to the 2020 Award Scheme shall not in aggregate exceed 2% of the total number of issued shares of CIMC Enric as at the adoption date of the 2020 Award Scheme (namely, a maximum of 40,209,691 shares). The maximum number of shares which may be granted to a participant at any one time or in aggregate under the 2020 Award Scheme must not exceed 0.5% of the total number of issued shares of CIMC Enric as at the adoption date of the 2020 Award Scheme (namely, a maximum of 10,052,422 shares). Eligible participants may elect to participate in the 2020 Award Scheme on a voluntary basis at any time while the 2020 Award Scheme is valid and effective. Pursuant to the 2020 Award Scheme, the grant of shares to the participants shall be performance-based or in accordance with other assessments as stipulated in the scheme rules. No grant and no issue and allotment of shares shall be made by CIMC Enric, no payment shall be made and no instruction shall be given by CIMC Enric to the trustee to purchase shares under the 2020 Award Scheme where any director of CIMC Enric is in possession of inside information (as defined in the SFO) in relation to CIMC Enric or where dealings in the shares are prohibited under all applicable laws, rules and regulations including without limitation the Hong Kong Listing Rules and/or the SFO. The transfer of vested shares by the trustee to the relevant participants is not prohibited during such periods. The vesting of the grant shares is subject to the participant remaining as an eligible participant at all times after the date of the grant and on the vesting date. Any share held by the trustee on behalf of a participant pursuant to the scheme rules of the 2020 Award Scheme shall vest in such participant in accordance with the vesting condition(s) or vesting schedule as determined by the board of directors of CIMC Enric from time to time under the scheme rules of the 2020 Award Scheme. The trustee shall not exercise any voting rights in respect of any shares held under the trust. No instruction as to voting may be given by any participant to the trustee in respect of the grant shares prior to the vesting of such grant shares in the participant. As at 31 December 2020, no shares were granted under the 2020 Award Scheme.

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4. Equity-settled share option scheme of CIMC TianDa (a subsidiary of the Company)

The shareholders of CIMC TianDa adopted a share option scheme (hereinafter referred to as “**CIMC TianDa Share Option Scheme**”) on 29 May 2009. The CIMC TianDa Share Option Scheme shall be valid and effective until the close of business of CIMC TianDa on the date which falls 10 years after the date of adoption, after which period no further share options will be granted. The total number of shares in respect of which share options may be granted under the CIMC TianDa Share Option Scheme when aggregated with any shares subject to any other schemes did not exceed 285,500,000 shares of CIMC TianDa. Share options may be exercised at any time from the date of acceptance of the share options to such date as determined by the board of directors but the exercise period of the options is in any event not exceeding 10 years.

During the Reporting Period, no share options were granted, exercised or cancelled under the CIMC TianDa Share Option Scheme. As at 31 December 2020, the changes in the CIMC TianDa Share Option Scheme are as follows:

CIMC TianDa Share Option Scheme	Number of options	Exercise price (HK\$)
Outstanding as at 1 January 2020 and 31 December 2020	115,625,000	0.42
Exercisable as at the end of the Reporting Period	115,625,000	0.42

As at 31 December 2020, details of the share options granted under CIMC TianDa Share Option Scheme to certain directors and employees of CIMC TianDa are as follows:

Number of shares of HK\$0.01 each of CIMC TianDa issuable under the CIMC TianDa Share Option Scheme						
	Outstanding as at 1 January 2020	Granted during the Reporting Period	Exercised during the Reporting Period	Outstanding as at 31 December 2020	Exercise price (HK\$)	Percentage of issued share capital of CIMC TianDa
Directors of CIMC TianDa						
Jiang Xiong	4,000,000	-	-	4,000,000	0.42	0.024%
Loke Yu	4,000,000	-	-	4,000,000	0.42	0.024%
Heng Ja Wei	4,000,000	-	-	4,000,000	0.42	0.024%
Ho Man	2,000,000	-	-	2,000,000	0.42	0.012%
Subtotal	14,000,000	-	-	14,000,000	-	0.084%
Other employees	101,625,000	-	-	101,625,000	0.42	0.611%
Total	115,625,000	-	-	115,625,000	-	0.695%

5. Implementation of Other Subsidiaries' Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures

For details of implementation of other subsidiaries' share option incentive scheme, employee stock ownership scheme or other employee incentive measures, please refer to note IX. 2 to “Chapter XIV Financial Statements Prepared in Accordance with CASBE” in this Report.

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XVI. MATERIAL CONNECTED TRANSACTIONS

(I) Connected Transactions as Defined by Domestic Laws and Regulations

1. Connected Transactions Relating to Daily Operations

Unit: RMB thousand

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price	Amount	Proportion to transaction amount of the same category	Approved cap	Whether approved cap has been exceeded	Settlement method	Available market price of the same transaction category	Disclosure date	Disclosure index
Dong Fang International Container (Lianyungang) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	10,662	-	-	-	-	-	-	-
Dong Fang International Container (Jin zhou) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	6,390	-	-	-	-	-	-	-
Dong Fang International Container (Guangzhou zhou) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	14,155	-	-	-	-	-	-	-
Huanyu Dong Fang International Container (Ningbo) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	28,580	-	-	-	-	-	-	-
Huanyu Dong Fang International Container (Qingdao) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	4,974	-	-	-	-	-	-	-
Huanyu Dong Fang International Container (Qidong) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	3,654	-	-	-	-	-	-	-
Wide Shine Development	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	22,336	-	-	-	-	-	-	-
COSCO SHIPPING Lines Co., Ltd	Subsidiary of former significant Shareholder	Rendering of services	Rendering of services	Regular commercial terms	-	2,314	-	-	-	-	-	-	-
Total					-	93,064	-	-	-	-	-	-	-

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Details of substantial sales return
Projected total amount of related-party transactions in the ordinary course of business during the current period by type and actual performance during the Reporting Period (if any)

Nil

In 2020, the actual total amount of continuing connected transactions between the Group and COSCO SHIPPING Development Group was RMB70.729 million, which did not exceed the annual caps for the year 2020 of RMB2.3 billion as agreed in the Supplemental Agreement to the Commodity Sales Framework Agreement signed by both parties on 30 October 2019.

In 2020, the actual total amount of continuing connected transactions between the Group and Merchants Shekou did not exceed the caps as agreed in the Framework Agreement on the Borrowing of Surplus Funds entered into between both parties on 30 October 2019. For actual transaction details of the continuing connected transactions between the Group and Merchants Shekou, please refer to "(2) Total Transaction Amount of 2020" of "2. Continuing Connected Transactions/Ordinary Related-Party Transactions" of "B" under "(10) Connected Transactions Defined in accordance with the Hong Kong Listing Rules" of "XVI. MATERIAL CONNECTED TRANSACTIONS" of "Chapter VIII Significant Events" in this report.

Reason for the substantial difference between transaction prices and referential market prices (if applicable)

N/A

2. Connected Transactions Relating to Assets or Equity Interest Acquisition and Disposal

Applicable Not Applicable

3. Connected Transactions Relating to Joint External Investments

Applicable Not Applicable

4. Claims and Liabilities among the Connected Transactions

Applicable Not Applicable

Whether there are non-operating claims and liabilities among the connected transactions

Yes No

During the Reporting Period, the information on claims and liabilities among the connected transactions is set out in the Note VIII 5.(4) to "Chapter XIV Financial Statements Prepared in Accordance with CASBE".

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5. Other Material Connected Transactions

Applicable Not Applicable

Upon the completion of the capital increase by Country Garden to CIMC Chancheng, an indirect non-wholly owned subsidiary of the Company on 6 August 2020, the equity interests in CIMC Chancheng held by Country Garden will increase from 25% to 30%. Upon completion of the capital increase by Qujiang Cultural Industry Investment to CIMC Chancheng, an indirect non-wholly owned subsidiary of the Company on 18 August 2020, the percentage of equity interest held by the Company in CIMC Chancheng will be decreased to 45.92%. Upon the completion of the above two transactions, CIMC Chancheng has become an associate of the Company. According to the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, CIMC Chancheng will also constitute a related party of the Company under the Shenzhen Listing Rules. After CIMC Chancheng introduces the strategic investor, the Company will still have fund transfers with CIMC Chancheng and provide related-party guarantees to it. Upon the completion of the transaction, (a) the maximum daily deposit limit for the next twelve months is expected to be RMB5 billion, with a deposit interest rate determined with reference to market deposit rates; (b) the loan limit for the next twelve months is expected to not exceed RMB2.09 billion, with a loan interest rate determined with reference to market loan interest rates; (c) the total amount of facilities and limit for other financial transactions for the next twelve months is expected to not exceed RMB2.09 billion; (d) in 2020, the Company or the subsidiaries of the Company intends to provide CIMC Chancheng or its subsidiaries with a joint liability guarantee of not more than RMB3.4 billion or equivalents based on its/their shareholding percentage, and the guarantee balance as at the end of the year shall be kept under RMB3.4 billion or equivalents.

As at the end of 2020, the amount of continuing connected transactions between the Group and CIMC Chancheng as following: the balance of the connected facility amounted to RMB1,660.657 million; CIMC Finance Company provided a balance of the facility amounted to RMB295.086 million to CIMC Chancheng and its subsidiaries; and the amount of deposits received from CIMC Chancheng and its subsidiaries by CIMC Finance Company was RMB128.000 million.

The amount of continuing connected transactions between the Group and CIMC Industrial City is: the balance of related guarantees is

Name of temporary announcement	Disclosure date of temporary announcement	Disclosure site of temporary announcement
Announcement regarding the connected transaction in relation to guarantees provided for external parties by a subsidiary of the Company	26 March 2020	www.cninfo.com.cn ; www.hkexnews.hk ;
Announcement on capital increase and introducing the strategic investor to a non-wholly-owned subsidiary, CIMC Chancheng	18 August 2020	

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(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules

Pursuant to Chapter 14A of the Hong Kong Listing Rules, the following connected transactions are discloseable in this report:

1. Connected Transactions:

- (1) On 26 March 2020, upon the consideration and approval at the second meeting of the ninth session of the Board of the Company in 2020, based on the financing plans of Shangrong Real Estate and Shangtai Real Estate, CIMC Chancheng provided guarantee for their financing business based on their respective shareholdings. The maximum amount of guarantee provided by CIMC Chancheng is RMB686 million, in which the maximum amount of guarantee to Shangrong Real Estate is RMB343 million and the maximum amount of guarantee to Shangtai Real Estate is RMB343 million. According to the financing plan of Qijing Zhongbirui Real Estate Development Co., Ltd. ("**Qijing Zhongbirui Real Estate**"), CIMC Chancheng intends to provide guarantee for the financing business of Qijing Zhongbirui Real Estate in accordance with its shareholdings. The maximum amount of guarantee to be provided is RMB490 million. The above transaction has been reviewed and approved by the shareholders' meeting of the Group. As of October 2020 when the balance sheet of CIMC Chancheng was excluded from the Group, CIMC Chancheng has provided guarantees of RMB19 million to Shangrong Real Estate, RMB13 million to Shangtai Real Estate, and RMB0 million to Qijing Zhongbirui Real Estate.

CMSK is an indirect non-wholly owned subsidiary of China Merchants Group, the substantial shareholder of the Company. Shangrong Real Estate and Shangtai Real Estate are non-wholly owned subsidiaries of CMSK, and are hence connected persons of the Company. As such, External Guarantee I constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the substantial shareholder of CIMC Chancheng, a subsidiary of the Company, Country Garden Real Estate holds 25% of equity interests in CIMC Chancheng on the date of signing the agreement, while Qijing Zhongbirui Real Estate is the holding subsidiary of Country Garden Real Estate. Country Garden Real Estate and Qijing Zhongbirui Real Estate are connected persons of the Company. As such, External Guarantee II constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more applicable percentage ratios (excluding profit ratio) of the relevant connected transactions of the above external guarantees are both more than 0.1% but less than 5%, respectively, the External Guarantees are subject to the reporting and announcement requirements, but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. For relevant details, please refer to announcements published on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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- (2) On 22 July 2020, the Company and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (hereafter referred to as “**Xiang Shan Hua Jin**”) entered into an equity transfer agreement with Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (hereafter referred to as “**Tai Fu Xiang Zhong**”). On the same date, the Company and Xiang Shan Hua Jin entered into the share confirmation with respect to the transfer of target shares. Pursuant to the equity transfer agreement and the share confirmation, the Company decided to purchase from Tai Fu Xiang Zhong 63,493,475 shares held in CIMC Vehicles at RMB6.80 per share for a consideration of RMB431,755,630. Upon completion of the transaction, the Company will hold approximately 57.42% equity interest in CIMC Vehicles and CIMC Vehicles will remain as a non-wholly owned subsidiary of the Company.

As Tai Fu Xiang Zhong is a substantial shareholder of CIMC Vehicles, a subsidiary of the Company and holds 14.30% equity interest in CIMC Vehicles as at the date of this announcement, Tai Fu Xiang Zhong is a connected person of the Company at the subsidiary level under Rule 14A.07(4) of the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company. However, as the applicable percentage ratios in respect of the connected transaction contemplated under the Equity Transfer Agreement are more than 1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the circular (including advice from independent financial advisor) and independent shareholders' approval requirements under Rule 14.76(2) of the Hong Kong Listing Rules. For relevant details, please refer to announcements published on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

- (3) On 6 August 2020, CIMC Chancheng, an indirect non-wholly owned subsidiary of the Company entered into the Capital Increase Agreement with CIMC Shenfa Development Co., Ltd. (“**CIMC Shenfa**”, a wholly-owned subsidiary of the Group), Shenzhen Oriental Tianyu Investment Development Co., Ltd. (“**Oriental Tianyu**”), Chang'an International Trust Co., Ltd. (“**Chang'an Trust**”) and Country Garden. According to the Capital Increase Agreement, Country Garden proposed to pay the Additional Capital of RMB1,606,124,427 to CIMC Chancheng, and the corresponding Additional Capital to the equity value of uncompleted parts of Qianhai Projects (if any) will be increased to a maximum of RMB39,012,616. Upon the completion of the transaction, the equity interests in CIMC Chancheng held by Country Garden will increase from 25% to 30%.

Since Country Garden is a substantial shareholder of CIMC Chancheng, a subsidiary of the Company, according to the Hong Kong Listing Rules, Country Garden is a connected person at the subsidiary level of the Company. This transaction constitutes a connected transaction of the Company and is not a related-party transaction under the rules of the Shenzhen Stock Exchange. According to Rule 14.29 of the Listing Rules, the capital increase of CIMC Chancheng leads to the decrease of percentage of equity interest held by the Company in such indirect non-wholly owned subsidiary, and the transaction will constitute a deemed disposal of the Company. As such, by virtue of Rule 14A.24 and Rule 14A.25 of the Hong Kong Listing Rules, CIMC Chancheng entering into the Capital Increase Agreement constitutes a connected transaction of the Company. The connected transactions contemplated thereunder shall be subject to, among others, the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules and shall be subject to the independent Shareholders' approval requirement. The transaction has been considered and approved at the first extraordinary general meeting of 2020. For relevant information, please refer to the announcement published by the Company on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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2. Continuing Connected Transactions/Ordinary Related-Party Transactions

- A. On 30 October 2019, the Group and COSCO SHIPPING Development entered into “Framework Agreement of Commodities Sales between China International Marine Containers (Group) Co., Ltd. and COSCO SHIPPING Development Co., Ltd.” (2020, 2021 and 2022) (the “**Framework Agreement**”) in respect of the continuing connected transactions in 2020, 2021 and 2022, to continue the continuing connected transactions thereunder and set annual caps for years ended 31 December 2020, 2021 and 2022. The Framework Agreement has been considered and approved at the 10th meeting of the 9th session of the Board of the Company in 2019 and at the 3rd extraordinary general meeting of 2019. The Framework Agreement stipulated that the annual transaction caps in 2020, 2021 and 2022 for both parties are RMB2.3 billion, RMB2.7 billion and RMB3.0 billion, respectively. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News, Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2019-090, [CIMC]2019-091 and [CIMC]2019-103), as well as the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 30 October 2019 and 16 December 2019.

- (1) Principal terms of the Framework Agreement are as follows:

Pricing principles: The prices of and other fees for the relevant commodities provided by the Group to COSCO SHIPPING Development Group shall be fair and reasonable and be determined according to the following principles: (a) where the bidding process is required, such bidding pricing; (b) where there is no bidding process, the Group will make reference to the market price (including the comparable local, domestic or international market price) based on the commodities’ type and quality. The business department of the two groups will collect the market price information through independent third parties such as industry associations; or (c) where neither of the above prices is applicable or where it is not practicable to apply the above pricing policies, the Group will negotiate the prices with COSCO SHIPPING Development Group on arm’s length basis after considering the cost, technology, quality and purchase amount of the commodities and the historical prices of the relevant commodities. The prices and terms so concluded shall be no less favourable to the Group than those offered by the Group for the supply of similar commodities to independent third parties.

Termination: The agreement is valid for three years commencing from 1 January 2020 to 31 December 2022 (both dates inclusive). During the term of the agreement, each of the parties can serve a written notice not less than three months in advance to the other party to terminate any specific agreement under the agreement.

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(2) Description of the connected (related) relationship between the parties to the transactions:

COSCO SHIPPING Development is the indirect controlling shareholder of Long Honour Investments Limited (“**Long Honour**”) and COSCO Container Industries Limited (“**COSCO Container Industries**”) (both being a substantial shareholder of the Company and holding a total of 518,606,212 A Shares and 295,010,617 H Shares, accounting for 22.70% of the total share capital of the Company when entering into the Framework Agreement). Therefore, COSCO SHIPPING Development and its subsidiaries are regarded as connected parties of the Company when entering into the Framework Agreement for the purpose of Chapter 14A of the Hong Kong Listing Rules. The transactions contemplated under the Framework Agreement entered into between the Group and COSCO SHIPPING Development Group constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. Pursuant to Chapter 10 of the Shenzhen Listing Rules, COSCO SHIPPING Development and the Company are related parties to each other and therefore transactions between the Group and COSCO SHIPPING Development Group under the Framework Agreement constitute ordinary related-party transactions of the Company. On 12 October 2020, COSCO SHIPPING Development and its wholly-owned subsidiaries, COSCO Industries and Long Honour, entered into the Share Transfer Agreement with Shenzhen Capital Group and its subsidiary, Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. (深圳資本(香港)集裝箱投資有限公司) (“**Shenzhen Capital (Hong Kong)**”). On 18 December 2020, Shenzhen Capital Group officially completed the procedures related to the share transfer with COSCO SHIPPING Development and its wholly-owned subsidiaries, COSCO Industries and Long Honour, and COSCO SHIPPING Development’s shareholding ratio became 4.69%. Therefore, as of 31 December 2021, COSCO SHIPPING Development will no longer constitute a connected person of the Company under the Hong Kong Listing Rules. However, according to the Shenzhen Listing Rules, it was owned by a related legal person of the Company in the past 12 months and is deemed as the related-party of a listed company, therefore COSCO SHIPPING Development is still a related-party of the Group under the Shenzhen Stock Exchange Listing Rules. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-062, [CIMC]2020-066, [CIMC]2020-085, [CIMC]2020-100 and [CIMC]2020-102) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020, 25 August 2020, 12 October 2020, 16 December 2020 and 18 December 2020.

(3) Total transaction amount for 2020:

In 2020, the actual total amount of continuing connected transactions between the Group and COSCO SHIPPING Development Group was RMB70.729 million, which did not exceed the caps for the year ended 31 December 2020 as agreed in the Framework Agreement.

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(4) Purpose of the transactions:

COSCO SHIPPING Development Group is principally engaged in providing integrated financial services with diversified leasing businesses such as vessel leasing, container leasing/container manufacturing and non-shipping finance leasing, and in particular it runs the world's largest container leasing business. Given the long-term reliable business relationships between the Group and COSCO SHIPPING Development and its subordinate companies, the uninterested Directors (including the independent non-executive Directors) consider that it is beneficial for the Group to contemplate the continuing connected transactions which will facilitate the operation and growth of the Group's main business. The uninterested Directors (including the independent non-executive Directors) consider that the terms of the Framework Agreement in respect of the continuing connected transactions (including the proposed annual caps) are fair and reasonable, the continuing connected transactions (including the proposed revision to the annual caps) are on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

(5) Further strengthening the internal control regarding continuing connected transactions:

The Group has established a series of measures and policies, including contract policies, connected transaction management measures and internal control management measures, in order to ensure that the continuing connected transactions are conducted in accordance with the commodity sales framework agreement. The Company's auditing and monitoring department will conduct unscheduled internal assessments on the internal control measures of the Company, to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective, and report the assessment result to the audit committee, board of directors and supervisory committee of the Company. The Company's external auditors will conduct an annual audit on the Company's internal control measures, and an annual review on the continuing connected transactions conducted under the Framework Agreement pursuant to the requirements under the Hong Kong Listing Rules.

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- B. On 30 October 2019, Merchants Shekou and Shenzhen Jixing Development Co., Ltd. (深圳市集星發展有限公司) (“**Jixing Development**”) entered into the Framework Agreement on the Borrowing of Surplus Funds with Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. (深圳市太子灣商融置業有限公司) (“**Shangrong Real Estate**”), and Merchants Shekou and Shenzhen Jisheng Development Co., Ltd. (深圳市集盛發展有限公司) (“**Jisheng Development**”) entered into the Framework Agreement on the Borrowing of Surplus Funds with Shenzhen Taiziwan Shangtai Real Estate Co., Ltd. (深圳市太子灣商泰置業有限公司) (“**Shangtai Real Estate**”), Merchants Shekou and Shenzhen Jida Development Co., Ltd. (深圳市集達發展有限公司) (“**Jida Development**”) entered into the Framework Agreement on the Borrowing of Surplus Funds with Shenzhen Leyi Real Estate Co., Ltd. (深圳市樂藝置業有限公司) (“**Leyi Real Estate**”), and Merchants Shekou and Shenzhen Jiyu Development Co., Ltd. (深圳市集宇發展有限公司) (“**Jiyu Development**”) entered into the Framework Agreement on the Borrowing of Surplus Funds with Shenzhen Shangqi Real Estate Co., Ltd. (深圳市商啓置業有限公司) (“**Shangqi Real Estate**”), respectively. The Acceptance of Financial Assistance and the Provision of Financial Assistance are the “Financial Assistance”. On 30 October 2019, the resolution concerning the Financial Assistance has been considered and approved at the 10th meeting of the 9th session of the Board of the Company in 2019. Mr. Wang Hong and Mr. HU Xianfu, both being related Directors, abstained from voting. Other non-related Directors unanimously agreed to the resolution. The independent Directors of the Company have conducted a prior review and expressed independent opinions. The Financial Assistance has been considered and approved at the 3rd extraordinary general meeting of 2019. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News, Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2019-092 and [CIMC] 2019-103) as well as the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 30 October 2019 and 16 December 2019.

- (1) The main terms of the Framework Agreements on the Borrowing of Surplus Funds are as follows:

Maximum borrowing amount:	During the 12-month authorization period, Jixing Development and Jisheng Development will receive the financial assistance no more than RMB4.9 billion in total in proportion to their shareholdings of 49%, including no more than RMB2.3 billion of financial assistance to be received by Jixing Development from Shangrong Real Estate and no more than RMB2.6 billion of financial assistance to be received by Jisheng Development from Shangtai Real Estate. During the authorization period, the balance of financial assistance received at any point in time shall not exceed the above limit, within which the funds may be rolled over.
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During the above 12-month authorization period, Leyi Real Estate and Shangqi Real Estate will provide the financial assistance no more than RMB2.6 billion in total in proportion to Merchants Shekou's shareholding of 49%, including no more than RMB1.4 billion of financial assistance to be provided by Leyi Real Estate to Merchants Shekou and no more than RMB1.2 billion of financial assistance to be provided by Shangqi Real Estate to Merchants Shekou. During the authorization period, the balance of financial assistance provided at any point in time shall not exceed the above limit, within which the funds may be rolled over.

Pricing principles:

The Financial Assistance is in line with relevant agreement in the Capital Increase Agreements entered into by Project Companies on 30 November 2018, which was negotiated voluntarily by the parties to the transactions in compliance with the relevant terms of the Capital Injection Agreement. Respective parties shall receive the borrowings provided by the Project Companies for nil consideration in proportion to their shareholdings and on the same conditions, free of any additional expenses or guarantees in any form, such as warranty, mortgage and pledge, given by the Company to related parties, and without any prejudice to the interests of any shareholders. Therefore, the connected transactions were entered into in the principle of voluntariness, equality, mutual benefit, fairness and impartiality.

Period of validity and term of maximum borrowing:

The maximum borrowing amount is valid for twelve months from the effective date of each of Framework Agreements on the Borrowing of Surplus Funds. Unused borrowing amount will automatically lapse upon expiration of the valid period for the maximum borrowing amount. During the valid period of each of Framework Agreements on the Borrowing of Surplus Funds and within the agreed maximum borrowing amount, the term of each borrowing provided by the Project Companies is eighteen months. Before each of the borrowings is expired, the Project Companies have the right to demand repayment in advance without any conditions.

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(2) Total Transaction Amount of 2020:

In 2020, before the balance sheet of CIMC Chancheng was excluded from the Group, the actual total transaction amount in continuing connected transactions between the Group and Merchants Shekou did not exceed the aggregated amount agreed under the Framework Agreement on the Borrowing of Surplus Funds:

	Within 12 months from the valid date RMB'000 Total annual caps as announced	From the valid date to October 2020 RMB'000 Effective transaction amount
Provision of financial assistance:		
Leyi Real Estate to Merchants Shekou	1,400,000	282,666
Shangqi Real Estate to Merchants Shekou	1,200,000	1,149,242
Acceptance of financial assistance:		
Shangrong Real Estate to Jixing Development	2,300,000	1,519,000
Shangtai Real Estate to Jisheng Development	2,600,000	1,865,430

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(3) Connected Relationship among the Transaction Parties:

During the Reporting Period, China Merchants Group is the indirect largest Shareholder of the Company. As of 31 December 2020, China Merchants Group through its subsidiaries (including China Merchants Steam Navigation Company Limited, China Merchants Holdings (Hong Kong) Company Limited, China Merchants Industry Holdings Company Limited, Soares Limited and China Merchants (CIMC) Investment Limited) held 24.49% of the total issued Shares of the Company. Merchants Shekou is a holding subsidiary of China Merchants Group, while Shangrong Real Estate and Shangtai Real Estate are holding subsidiaries of Merchants Shekou. Merchants Shekou, Shangrong Real Estate and Shangtai Real Estate are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. The Provision of Financial Assistance will be conducted in the usual and ordinary business course of the Group on an ongoing or regular basis, and therefore constitutes a continuing connected transaction of the Company under the Hong Kong Listing Rules. As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) in respect of the proposed annual caps under the Provision of Financial Assistance exceed 5%, but all of the percentage ratios are less than 25%, the Provision of Financial Assistance constitutes a discloseable transaction and a non-exempt continuing connected transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, as well as the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. According to the requirements of the Hong Kong Listing Rules, the Acceptance of Financial Assistance constitutes financial assistance provided by connected persons to the Group. However, (i) the borrowings are made on normal commercial terms or more favorable terms to the Group; and (ii) the borrowings are not secured by any assets of the Group, and therefore such borrowings constitute exempt financial assistance under Rule 14A.90 of the Hong Kong Listing Rules, and are not subject to the reporting, announcement and independent shareholders' approval requirements under the Hong Kong Listing Rules but constitute to the transaction which is subject to the approval at the general meeting under the Shenzhen Listing Rules.

After the balance sheet of CIMC Chancheng was excluded from the Group in October 2020, the transaction between CIMC Chancheng and Merchants Shekou will no longer constitutes a connected transaction of the Group.

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(4) Purpose of the Transaction:

In order to make good use of the funds available for cooperation projects, according to the business practices in the real estate industry, the Project Companies will provide borrowings to the respective parties with the idle surplus funds left after setting aside working capital required for a certain period of time in the future. The purpose is to improve the efficiency of capital use and the return on investment of the respective parties. The Financial Assistance was negotiated voluntarily by the parties to the transactions in compliance with the relevant terms of the Capital Injection Agreement. Respective parties shall receive the borrowings provided by the Project Companies for nil consideration in proportion to their shareholdings and on the same conditions, free of any additional expenses or guarantees in any form, such as warranty, mortgage and pledge, given by the Company to related parties, and without any prejudice to the interests of any shareholders. Therefore, the transactions were entered into in the principle of voluntariness, equality, mutual benefit, fairness and impartiality. The terms of the Framework Agreements on the Borrowing of Surplus Funds, including the applicable interest rate and the proposed annual caps, have been arrived at by the parties with arm's length negotiations and after taking into account the prevailing interest rate and practices in the market. The Directors are of the view that the Framework Agreements on the Borrowing of Surplus Funds (including the proposed annual caps) are entered into on normal commercial terms and the terms under the borrowing agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Also, the Board is of the view that the Financial Assistance is conducive to improving the efficiency of capital use, and as it is carried out without affecting the normal production and operations of the Project Companies and necessary risk prevention measures are taken, it is without any prejudice to the interests of the Company and minority Shareholders, and will not have any adverse impact on the Company's operating activities.

(5) Further strengthening the internal control regarding continuing connected transactions:

The Group has established a series of measures and policies, in order to ensure that the continuing connected transactions are conducted in accordance with the commodity sales framework agreement. The Company's auditing and monitoring department will conduct unscheduled internal assessments on the internal control measures of the Company, to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective, and report the assessment result to the audit committee, board of directors and supervisory committee of the Company. The Company's external auditors will conduct an annual audit on the Company's internal control measures, and an annual review on the continuing connected transactions pursuant to the requirements under the Hong Kong Listing Rules.

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- C. On 16 April 2020, upon reviewed and approved at the third meeting in 2020 of the ninth session of the Board of the Company, CIMC Chancheng proposed to enter into the Cooperation Agreement with Shenzhen Country Garden, through its non-wholly owned subsidiaries, Shenzhen Jihong Investment Co., Ltd. ("**Jihong Investment**") and Shenzhen Jiyuan Investment Co., Ltd. ("**Jiyuan Investment**"), during the authorization period, will provide financial assistance to Shenzhen Country Garden within the limit of authorization under the same conditions based on the project operation plan and actual financial status. Shenzhen Country Garden will receive the financial assistance of no more than RMB2.258 billion in total in proportion to its shareholdings of 30%, including no more than RMB0.474 billion of financial assistance to be provided by Jihong Investment to Shenzhen Country Garden and no more than RMB1.784 billion of financial assistance to be provided by Jiyuan Investment to Shenzhen Country Garden. The transaction has been considered and approved at relevant general meeting. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-025 and [CIMC]2020-036) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 16 April 2020 and 1 June 2020.

(1) The main terms of the Cooperation Agreement:

The authorization to provide financial assistance is valid for a period of twelve months from the date of consideration and approval by the Company in accordance with the approval requirements for listed companies.

The maximum amount of the financial assistance: Pursuant to the Cooperation Agreement, Shenzhen Country Garden will use surplus funds in proportion of 30%. During the above 12-month authorization period, Shenzhen Country Garden will receive the financial assistance of no more than RMB2.258 billion in total in proportion to its shareholdings of 30%, including no more than RMB0.474 billion of financial assistance to be provided by Jihong Investment to Shenzhen Country Garden and no more than RMB1.784 billion of financial assistance to be provided by Jiyuan Investment to Shenzhen Country Garden. During the authorization period, Jihong Investment and Jiyuan Investment will equally provide borrowings to their shareholders based on the actual financial status, the cumulative balance of financial assistance to be provided to Shenzhen Country Garden at any point in time shall not exceed the above limit, within which the funds may be rolled over.

Pricing principles: The provision of external Financial Assistance will carry same interest rate from Shenzhen Country Garden and CIMC Chancheng at the bank's loan interest rate for the same period according to the Cooperation Agreement. As of the date of this announcement, the benchmark interest rate for bank loans with reference is 4.35%. According to the historical record of corporate loan rate, the rise in benchmark interest rate is below 20%, i.e. the loan rate of the provision of external Financial Assistance is below 5.22%.

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- (2) Effective transaction amount from the valid date to October 2020:

In 2020, before the balance sheet of CIMC Chancheng was excluded from the Group, the actual total transaction amount in continuing connected transactions between the Group and Shenzhen Country Garden did not exceed the aggregated amount agreed under the Cooperation Agreement:

	Within 12 months from the valid date RMB'000 Total annual caps as announced	From the valid date to October 2020 RMB'000 Effective transaction amount
Provision of financial assistance:		
Jihong Investment to Shenzhen Country Garden	474,000	210,313
Jiyuan Investment to Shenzhen Country Garden	1,784,000	772,991

- (3) Connected Relationship among the Transaction Parties:

When entering into the Cooperation Agreement, Country Garden Real Estate Group is a substantial Shareholder of CIMC Chancheng, a subsidiary of the Company, and holds 25% equity interests in CIMC Chancheng and Shenzhen Country Garden is a wholly-owned subsidiary of Country Garden Real Estate Group. As a result, Shenzhen Country Garden is a connected person at the subsidiary level of the Company under the Hong Kong Listing Rules and not a related party under the Shenzhen Listing Rules. The Provision of Financial Assistance will be conducted in the usual and ordinary business course of the Group on an ongoing or regular basis, and therefore constitutes a continuing connected transaction of the Company under the Hong Kong Listing Rules. By virtue of Rule 14A.101 of the Hong Kong Listing Rules, the Financial Assistance is subject to the reporting and announcement requirements applicable to connected transactions, but is exempt from the circular, independent financial advice and shareholders' approval requirements. As one or more applicable percentage ratios of the relevant Financial Assistance is/are more than 5% but are less than 25%, which constitutes a discloseable transaction and a non-exempt continuing connected transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules but constitute to the transaction which is subject to the approval at the general meeting under the Shenzhen Listing Rules. The transaction was reviewed and approved at the Company's annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020 held on 1 June 2020.

After the balance sheet of CIMC Chancheng was excluded from the Group in October 2020, the transaction between CIMC Chancheng and Shenzhen Country Garden will no longer constitutes a connected transaction of the Group.

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(4) Purpose of the transactions:

The purpose of the provision of external Financial Assistance is to make good use of fund available for the Project Companies, avoid the fund leaving unused and improve the efficiency of fund use, thereby maximizing the return on investment of all shareholders. On the basis of the relevant agreements under the Cooperation Agreement, the provision of external Financial Assistance is to treat all shareholders of the Project Companies at an arm's length basis and ensure all shareholders of the Project Companies enjoy rights and obligations on an equal basis. Also, the Group is not required to provide any form of security such as guarantees, mortgages and pledges to connected parties. The Financial Assistance is conducive to development of the cooperation and business of the Company, complies with the operation practices of the real estate industry and has a positive impact on the development and operation of projects.

(5) Further strengthening the internal control regarding continuing connected transactions:

The Company has established a series of measures and policies, in order to ensure that the continuing connected transactions are conducted in accordance with the commodity sales framework agreement. The Company's auditing and monitoring department will conduct unscheduled internal assessments on the internal control measures of the Company, to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective, and report the assessment result to the audit committee, board of directors and supervisory committee of the Company. The Company's external auditors will conduct an annual audit on the Company's internal control measures, and an annual review on the continuing connected transactions pursuant to the requirements under the Hong Kong Listing Rules.

D. Independent non-executive Directors' confirmation:

In relation to the continuing connected transaction/ordinary connected transaction between the Group and COSCO SHIPPING Development and its subsidiaries and associates, the Financial Assistance of connected parties accepted and provided by CIMC Chancheng, a holding subsidiary of the Company and the provision of financial assistance to Shenzhen Country Garden by non-wholly owned subsidiaries of CIMC Chancheng during the Reporting Period (the "**Transactions**"), the independent non-executive Directors of the Company have reviewed and confirmed that:

- The Transactions mentioned above have met requirements of the relevant laws and regulations as well as the Articles of Association, have been conducted on a fair, open and just basis and have been audited through relevant procedures, and no acts have been found which are detrimental to the interests of the Company and the Shareholders, especially the minority Shareholders;
- The Transactions mentioned above have been entered into in the ordinary and usual course of business of the Company;

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- The Transactions mentioned above have been entered into on normal commercial terms or better terms;
- The Transactions mentioned above have been entered into in accordance with the terms of relevant agreements governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

E. Auditor's confirmation:

Auditor of the Company reviewed the Transactions during the Reporting Period and confirmed:

- (a) Nothing has come to auditors' attention that causes them to believe that the continuing connected transactions disclosed have not been approved by the Board.
- (b) In relation to the continuing connected transactions of the Group, nothing has come to auditors' attention that causes them to believe that the Transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (c) Nothing has come to auditors' attention that causes them to believe that the Transactions were not entered into, in all material respects, in accordance with the agreements in relation to such transactions.
- (d) In relation to the total amount of continuing connected transactions, nothing has come to auditors' attention that causes them to believe that the amount of the continuing connected transactions exceeded the annual caps set by the Company.

F. The Board confirmed:

The auditor confirmed the matters in relation to the Transactions pursuant to the Rule 14A.56 under the Hong Kong Listing Rules.

3. Connected Transactions and Related-Party Transactions

For details of the Group's connected transactions and related-party transactions during the Reporting Period, please refer to note VIII. 5 to "Chapter XIV Financial Statements Prepared in Accordance with CASBE" in this Report. Except for the connected transactions and continuing connected transactions as disclosed in this section, there are no other connected transactions required to be disclosed pursuant to Chapter 14A of the Hong Kong Listing Rules.

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XVII. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

Applicable Not Applicable

During the Reporting Period, there was no trusteeship of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

(2) Contracting

Applicable Not Applicable

During the Reporting Period, there was no contracting of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

(3) Leasing

Applicable Not Applicable

During the Reporting Period, there was no leasing of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

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2. Material Guarantees

✓Applicable □Not Applicable

(1) Description of Guarantees

Unit: RMB thousand

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)								
Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guarantee or not
Customers of CIMC Containers	26 March 2020	100,000	1 January 2020	0	Warranty	1-2 years	No	No
Customers and dealers of subsidiaries of CIMC Vehicles	26 March 2020	3,600,000	1 January 2020	1,709,171	Warranty	1-2 years	No	No
Customers of Shenyang CIMC Industrial Park Investment Development Co., Ltd.	26 March 2020 27 August 2020	50,000	1 January 2020	0	Warranty	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.	26 March 2020 27 August 2020	50,000	1 January 2020	13,022	Warranty	1-2 years	No	No
Customers of CIMC Enric Holdings Limited	26 March 2020 27 August 2020	100,000	1 January 2020	20,000	Warranty	1-2 years	No	No
Customers of CIMC Raffles	26 March 2020	118,750	1 January 2020	0	Warranty	1-2 years	No	No
Purchasers of commodity houses of CIMC Chancheng and its controlling subsidiaries	26 March 2020	3,500,000	1 January 2020	0	Warranty	1-2 years	No	No
Customers and dealers of C&C Trucks and its controlling subsidiaries	26 March 2020	1,300,000	1 January 2020	791,927	Warranty	1-2 years	No	No
Customers of CIMC Modern Logistics Development Co., Ltd.	26 March 2020	50,000	1 January 2020	0	Warranty	1-2 years	No	No
Customers of CIMC Financial Leasing Company and its controlling subsidiaries	26 March 2020	200,000	1 January 2020	0	Warranty	1-2 years	No	No
Total external guarantee facilities approved during the Reporting Period (A1)			9,068,750	Total actual amount of external guarantees during the Reporting Period (A2)			2,385,201	
Total external guarantee facilities approved at the end of the Reporting Period (A3)			9,068,750	Total actual balance of external guarantees at the end of the Reporting Period (A4)			2,534,120	

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The Company's guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guarantee or not
Subsidiaries of CIMC	26 March 2020 27 August 2020	20,131,250	1 January 2020	7,670,621	Warrandice	1-2 years	No	No
Overseas holding subsidiaries of CIMC	26 March 2020	40,000,000	1 January 2020	24,174,511	Warrandice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)			60,131,250	Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)			4,610,599	
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)			60,131,250	Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)			31,845,132	

Subsidiaries' guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guarantee or not
Guarantee of one subsidiary for another	26 March 2020 27 August 2020	15,800,000	1 January 2020	6,386,990	Warrandice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)			15,800,000	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)			4,493,172	
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)			15,800,000	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)			6,386,990	

Total guarantee of the Company (total of the above three items)

Total guarantee facilities approved during the Reporting Period (A1+B1+C1)			85,000,000	Total actual guarantee amount during the Reporting Period (A2+B2+C2)			11,488,972	
Total guarantee facilities approved at the end of the Reporting Period (A3+B3+C3)			85,000,000	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)			40,766,242	
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company							92.61%	
Of which:								
Guarantee amount provided to Shareholders, the de facto controller and related parties (D)							1,660,657	
Debt guarantee amount provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)							32,202,004	
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)							0	
Total amount of the above three guarantees (D+E+F)							33,862,661	
Guarantees which are not due but have incurred guarantee liability or are likely to incur joint settlement liability during the Reporting Period (if any)							0	
Guarantees provided to the external parties in violation of the procedures (if any)							0	

Note: CIMC Chancheng's accounts has been excluded from the Group in October 2020, but the guarantee facilities in 2020 still counts the data of CIMC Chancheng.

Guarantees provided in a combined manner: No

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(2) Illegal External Guarantees

Applicable Not Applicable

3. Entrusted Cash or Assets Management

(1) Entrusted Wealth Management

Applicable Not Applicable

(2) Entrusted Loans

Applicable Not Applicable

The specific circumstances of a high-risk entrusted loan with a single significant amount or low security, poor liquidity, and no guarantee for principal repayment

Nil

Unable to recover the principal of entrusted loans or other circumstances that may result in impairment

Applicable Not Applicable

4. Other Material Contracts

Applicable Not Applicable

XVIII. SOCIAL RESPONSIBILITY

1. Performance of Precise Poverty-alleviation Social Responsibility

Applicable Not Applicable

(1) Targeted poverty alleviation plan

The Group actively responded to the government's call of winning the decisive campaign of poverty alleviation, and encouraged and supported its enterprises to implement targeted poverty alleviation through various means by focusing on their strategic transformation and industrial characteristics based on the actual local circumstances: first, focusing on solving the problems facing the ordinary people and helping them improve production and living conditions; second, activating the intrinsic drivers of poverty alleviation and development by promoting industrial development, boosting consumption and improving education; third, leveraging business advantages to provide targeted assistance to the local people based on the actual circumstances.

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(2) Achievements of targeted poverty alleviation

Indicator	Measurement unit	Quantity/ Progress status
I. Overall situation	–	–
Among which:		
1. Funds	RMB in thousand	47,051.763
2. Material equivalents	RMB in thousand	52.7
3. Number of registered residents who have achieved poverty alleviation with the help of the Group	Person	62
II. Investment by category	–	–
1. Poverty alleviation by industrial development	–	–
Among which:		
1.1 Project type of poverty alleviation by industrial development	–	Hunan CIMC New Material Technology Co., Ltd. invested fund in the construction of the phyllostachys pubescens base and the acquisition of bamboo curtains from bamboo curtain manufacturers and suppliers.
1.2 Project number of poverty alleviation by industrial development	–	1
1.3 Investment in poverty alleviation by industrial development	RMB in thousand	46,800
1.4 Number of registered residents who have achieved poverty alleviation	Person	29
2. Poverty alleviation by transfer employment	–	–
Among which:		
2.1 Investment in vocational and technical training	RMB in thousand	21.03
2.2 Number of residents received vocational technical training	Person	41
2.3 Number of registered residents who have achieved employment	Person	24
3. Poverty alleviation by relocation	–	–
Among which:		
3.1 Number of relocated residents who have achieved employment	Person	–
4. Poverty alleviation by education	–	–
Among which:		
4.1 Investment in funding impoverished students	RMB in thousand	18.6
4.2 Number of impoverished students received funding	Person	30
4.3 Investment in educational resources improvement in poverty areas	RMB in thousand	50

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Indicator	Measurement unit	Quantity/ Progress status
5.	Poverty alleviation by healthcare	–
Among which:	5.1 Investment in healthcare resources in poverty areas	RMB in thousand 0
6.	Poverty alleviation by ecological protection	–
Among which:	6.1 Project type	– Longkou CIMC Raffles Offshore Engineering Co., Ltd. illustrated the village appearance construction in Da Zhangjia Village, Langao Town, Longkou City, Yantai.
	6.2 Investment	RMB in thousand 30
7.	Bottom protection	–
Among which:	7.1 Investment in “left-behind residents”	RMB in thousand 2.7
	7.2 Number of “left-behind residents” who have received help	Person 8
	7.3 Investment in impoverished disabled person	RMB in thousand 93.68
	7.4 Number of disabled residents who have received help	Person 0
8.	Poverty alleviation by Society	–
Among which:	8.1 Investment in poverty alleviation cooperation between the east and the west	RMB in thousand 0
	8.2 Investment in fixed-point poverty alleviation work	RMB in thousand 150
	8.3 Investment in poverty alleviation funds	RMB in thousand 41.183
9.	Other projects	–
Among which:	9.1 Project number	– 3
	9.2 Investment	RMB in thousand 11.98
	9.3 Number of registered residents who have achieved poverty alleviation	Person 16
III. Awards received (title, level)		–
		Hunan CIMC New Material Technology Co., Ltd. won the “Charity Enterprise of Targeted Employment & Poverty Alleviation” title for 2019 conferred by Hunan Province in May 2020.

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(3) Subsequent targeted poverty alleviation plan

The year 2021 marks the beginning of China's 14th Five-Year Plan, and is also the first year of the country's efforts to consolidate the results of poverty alleviation and achieve an effective linkage between poverty alleviation and rural revitalization. The Group will take the people's wish for a beautiful life as its goal, and continue to leverage its advantages and roll out targeted programs to resolutely protect the results of poverty alleviation and help achieve an effective linkage between poverty alleviation and rural revitalization. We will: (1) explore sustainable long-acting working mechanisms that can be replicated; (2) strengthen learning, training and exchanges, combine poverty alleviation with confidence building, continue to teach people how to learn about knowledge, and help the relevant regions achieve sustainable development; and (3) capitalize on our advantages in industries and principal businesses, and explore more diversified methods to help others and contribute to rural revitalization.

2. Performance of Other Social Responsibilities

The Company published the 2018 Social Responsibility and Environmental, Social and Governance Report and the 2019 Social Responsibility and Environmental, Social and Governance Report on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 27 March 2019 and 26 March 2020 respectively.

Whether the listed company and its subsidiaries are on the list of critical pollutant dischargers published by the environmental protection authorities

Yes No Not Applicable

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Xylene	Organised emission	2	Northern part of the factory area	0.020 mg/m ³	Emission Standard of VOCs from Industrial Enterprises in	0.0220	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Northern part of the factory area	0.028 mg/m ³	Tianjin City (DB12/524-2014)	0.0120	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	Northern part of the factory area	0.026 mg/m ³		0.0070	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Northern part of the factory area	0.270 mg/m ³		0.1600	36.7450	Not exceeded
	Blackness of fume	Organised emission	2	Northern part of the factory area	<Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for	-	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2	Northern part of the factory area	ND (not detected)	Industrial Kiln and Furnace (Exposure Draft)	-	0.7200	Not exceeded
	Sulfur dioxide	Organised emission	2	Northern part of the factory area	ND (not detected)		-	0.1800	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Yangzhou Runyang Logistics Equipments Co., Ltd. ("CIMC Runyang")	Total phosphorus	Sewage collection pipes	1	Northwest gate of the factory area	1.530 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.0800	0.1300	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Northwest gate of the factory area	4.200 mg/L		0.1900	0.3460	Not exceeded
	SS	Sewage collection pipes	1	Northwest gate of the factory area	39.000 mg/L		2.1700	8.6400	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Northwest gate of the factory area	37.200 mg/L		1.5000	1.5120	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Northwest gate of the factory area	20.800 mg/L		1.1000	1.2960	Not exceeded
	COD	Sewage collection pipes	1	Northwest gate of the factory area	175.000 mg/L		10.5700	12.9600	Not exceeded
	Particulate matter	Organised emission	2	Northern part of the factory area	5.050 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.9400	7.3150	Not exceeded
	Fume	Organised emission	1	East of the plant	0.160 mg/m ³	Emission Standard of Cooking Fume (Trial) (GB18483-2001)	0.0050	0.0243	Not exceeded
	VOCs	Organised emission	11	South, north and middle of the workshop, the northeastern corner of the factory area	6.600 mg/m ³	Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)	4.0550	79.1240	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station in the south of the workshop	0.019 mg/m ³	Emission Standards for Odor Pollutants (GB14554-93)	0.0003	0.0004	Not exceeded
	Ammonia	Organised emission	1	Sewage treatment station in the south of the workshop	2.170 mg/m ³		0.0230	0.0360	Not exceeded
	Ringelmann emittance	Organised emission	8	South, north and middle of the workshop	<Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Second Exposure Draft)	-	-	Not exceeded
	Sulfur dioxide	Organised emission	8	South, north and middle of the workshop	3.000 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.1894	0.4648	Not exceeded
	Nitric oxide	Organised emission	8	South, north and middle of the workshop	3.000 mg/m ³		0.5136	2.1732	Not exceeded
Xylene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the northeastern corner of the factory area	0.032 mg/m ³		0.3486	1.0917	Not exceeded	
Methylbenzene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the northeastern corner of the factory area	0.024 mg/m ³		0.0853	7.4087	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Benzene	Organised emission	2	South and north of the workshop	0.047 mg/m ³		0.0308	0.2726	Not exceeded
	Particulate matter	Organised emission	20	South, west, middle and north of the workshop	40.900 mg/m ³		38.5500	48.9504	Not exceeded
	SS	Sewage collection pipes	1	Southwestern corner of the company	25.000 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) and Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.6377	9.0400	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Southwestern corner of the company	6.040 mg/L		0.1757	1.3560	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Southwestern corner of the company	0.690 mg/L		0.0425	0.3620	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Southwestern corner of the company	10.900 mg/L		0.3272	1.5820	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Southwestern corner of the company	0.650 mg/L		0.0315	0.1360	Not exceeded
	COD	Sewage collection pipes	1	Southwestern corner of the company	120.000 mg/L		4.0220	13.5600	Not exceeded
Shenzhen Southern CIMC Eastern Logistics Equipment Manufacturing Co., Ltd. ("Southern CIMC Eastern Logistics")	VOCS	-	-	-	Discontinued	Emission Standard of Air Pollutants (GB16297)	Discontinued	Not approved by regulators	Not exceeded
	Particulate matter	-	-	-	Discontinued		Discontinued	Not approved by regulators	Not exceeded
Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("Dongguan Southern CIMC")	Particulate matter	Organised emission	17	4 in phase I workshop, 4 in northwest of phase I workshop, 3 in northwest of phase I workshop, 1 in southwest of phase I workshop and 5 in phase I pre-treatment workshop	6.610 mg/m ³	Emission Limits of Air Pollutants (DB44/27-2001)	-	Not approved by regulators	Not exceeded
	NOX	Organised emission	6	3 in northwest of phase I workshop, 1 in southwest of phase I workshop and 2 in phase I pre-treatment workshop	ND (not detected)		1.5325	6.9888	Not exceeded
	NOX	Organised emission	6	3 in northwest of phase I workshop, 1 in southwest of phase I workshop and 2 in phase I pre-treatment workshop	ND (not detected)		1.5325	6.9888	Not exceeded
	Manganese and its compounds	Organised emission	4	Phase I workshop	0.040 mg/m ³		-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Sulfur dioxide	Organised emission	6	3 in northwest of phase I workshop, 1 in southwest of phase I workshop and 2 in phase I pre-treatment workshop	ND (not detected)		0.2382	0.3774	Not exceeded
	Ammonia nitrogen	Organised emission	2	Southern boundary	0.353 mg/L	Discharge Limits of Water Pollutants (DB44/26-2001)	-	Not approved by regulators	Not exceeded
	Phosphate	Organised emission	2	Southern boundary	0.040 mg/L		-	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Organised emission	2	Southern boundary	4.900 mg/L		-	Not approved by regulators	Not exceeded
	PH	Organised emission	2	Southern boundary	7.470 (dimensionless)		-	Not approved by regulators	Not exceeded
	SS	Organised emission	2	Southern boundary	132.000 mg/L		-	Not approved by regulators	Not exceeded
	CODcr	Organised emission	2	Southern boundary	190.000 mg/L		-	Not approved by regulators	Not exceeded
	BOD5	Organised emission	2	Southern boundary	61.850 mg/L		-	Not approved by regulators	Not exceeded
	Noise at boundary	-	-	-	Daytime: 61.80 dB; Night: 48.99 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	7	3 in northwest of phase I workshop, 1 in southwest of phase I workshop, 1 in south of phase I workshop and 2 in phase I pre-treatment workshop	1.760 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing (DB44/1837-2016)	3.9494	48.7500	Not exceeded
	Benzene	Organised emission	2	Two in phase I pre-treatment workshop	ND (not detected)		-	Not approved by regulators	Not exceeded
	Total Methylbenzene and Xylene	Organised emission	2	Two in phase I pre-treatment workshop	0.103 mg/m ³		-	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	South of phase I workshop	0.810 mg/m ³	Emission Standards for Odor Pollutants (GB14554-93)	-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	South of phase I workshop	0.016 mg/m ³		-	Not approved by regulators	Not exceeded
	Odor concentration	Organised emission	1	South of phase I workshop	1054 (dimensionless)		-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Qingdao CIMC Special Reefer Co., Ltd. ("QDCSR")	Ammonia nitrogen	Sewage collection pipes	1	1 in north of the factory area	29.200 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT31962-2015)	0.0800	0.1800	Not exceeded
	SS	Sewage collection pipes	1	1 in north of the factory area	168.000 mg/L		0.8470	1.1900	Not exceeded
	COD	Sewage collection pipes	1	1 in north of the factory area	146.000 mg/L		1.4080	2.6800	Not exceeded
	Xylene	Organised emission	8	2 in the west of #1 workshop, 1 in the east of #1 workshop, 4 in the east of #2 workshop, 1 in the west of #3 workshop	4.320 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37-2801.5-2018)	1.6020	2.8850	Not exceeded
	Nitric oxide	Organised emission	6	2 in the west of #1 workshop, 1 in the east of #1 workshop, 3 in the east of #2 workshop	47.000 mg/m ³		1.1490	2.4640	Not exceeded
	Sulfur dioxide	Organised emission	6	2 in the west of #1 workshop, 1 in the east of #1 workshop, 3 in the east of #2 workshop	4.000 mg/m ³		0.2190	0.2800	Not exceeded
	Particulate matter	Organised emission	24	7 in the west of #1 workshop, 4 in the east of #1 workshop, 12 in the east of #2 workshop and 1 in the west of #3 workshop	2.500 mg/m ³		4.6450	4.7470	Not exceeded
VOCS	Organised emission	8	1 in the west of #1 workshop, 1 in the east of #1 workshop, 4 in the east of #2 workshop and 1 in the west of #3 workshop	9.100 mg/m ³	6.9800	7.2600	Not exceeded		
Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	SS	Sewage collection pipes	2	1 in west of the factory area and 1 in north of the factory area	135.000 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT31962-2015)	5.3800	6.1200	Not exceeded
	COD	Sewage collection pipes	2	1 in west of the factory area and 1 in north of the factory area	88.000 mg/L		7.0800	12.2400	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	2	1 in west of the factory area and 1 in north of the factory area	25.700 mg/L	0.3370	0.7700	Not exceeded	
	Nitric oxide	Organised emission	13	3 in the north of #1 workshop, 3 in the south of #1 workshop, 6 in the south of #2 workshop and 1 in the south of #3 workshop	62.000 mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	4.5600	7.0200	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Sulfur dioxide	Organised emission	13	3 in the north of #1 workshop, 3 in the south of #1 workshop, 6 in the south of #2 workshop and 1 in the south of #3 workshop	9.000 mg/m ³		0.7120	0.8000	Not exceeded
	Particulate matter	Organised emission	37	6 in the north of #1 workshop, 10 in the south of #1 workshop, 16 in the south of #2 workshop and 5 in the south of #3 workshop	6.100 mg/m ³		27.0100	35.8250	Not exceeded
	Xylene	Organised emission	9	1 in the north of #1 workshop, 3 in the south of #1 workshop, 2 in the south of #2 workshop and 3 in the south of #3 workshop	8.150 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry DB37-2801.5-2018	13.7000	27.7050	Not exceeded
	VOCs	Organised emission	9	1 in the north of #1 workshop, 3 in the south of #1 workshop, 2 in the south of #2 workshop and 3 in the south of #3 workshop	15.200 mg/m ³		33.9000	63.5350	Not exceeded
Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Noise (day boundary)	Fugitive emission	-	-	56.83 dB	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008 Standard Class II	-	Not approved by regulators	Not exceeded
	Noise (night boundary)	Fugitive emission	-	-	48 dB		-	Not exceeded	
	Particulate matter (sanding, welding fume)	Organised emission	24	Middle of the factory area	19.390 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	18.7200	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.560 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	-	0.015 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing DB44/1837-2016	-	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	-	0.003 mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	-	0.002 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	-	0.001 mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter (organic waste gas)	Organised emission	8	East and middle of the plant	20.000 mg/m ³		19.4300	Not approved by regulators	Not exceeded
	Xylene (organic waste gas)	Organised emission	8	East and middle of the plant	2.220 mg/m ³		2.1500	Not approved by regulators	Not exceeded
Methylbenzene (organic waste gas)	Organised emission	8	East and middle of the plant	0.660 mg/m ³		0.6400	Not approved by regulators	Not exceeded	
Benzene (organic waste gas)	Organised emission	8	East and middle of the plant	0.320 mg/m ³		0.3100	Not approved by regulators	Not exceeded	
VOCs (organic waste gas)	Organised emission	8	East and middle of the plant	8.020 mg/m ³		4.8500	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Xinhui CIMC Container Co., Ltd. ("XHCIMC")	Sulfur dioxide (boiler)	Organised emission	1	Middle of the factory area	3.290 mg/m ³	Boiler Air Pollutant Discharge Standard DB44/765-2019	0.2000	Not approved by regulators	Not exceeded
	Nitric oxide (boiler)	Organised emission	1	Middle of the factory area	85.100 mg/m ³		5.1600	Not approved by regulators	Not exceeded
	Carbon monoxide (boiler)	Organised emission	1	Middle of the factory area	102.480 mg/m ³		6.2200	Not approved by regulators	Not exceeded
	Ringelmann emittance (boiler)	Organised emission	1	Middle of the factory area	Level 1		-	Not approved by regulators	Not exceeded
	Particulate matter (boiler)	Organised emission	1	Middle of the factory area	13.610 mg/m ³		0.8300	Not approved by regulators	Not exceeded
	Ammonia nitrogen (domestic sewage)	Organised emission	1	West of the factory area	0.180 mg/L	Discharge Limits of Water Pollutants DB/44-26-2001	0.0500	Not approved by regulators	Not exceeded
	PH (domestic sewage)	Organised emission	1	West of the factory area	7.33 (dimensionless)		-	Not approved by regulators	Not exceeded
	Wastewater flow (domestic sewage)	Organised emission	1	West of the factory area	46.080 m ³ /h		-	Not approved by regulators	Not exceeded
	SS (domestic sewage)	Organised emission	1	West of the factory area	6.250 mg/L		1.6500	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand (domestic sewage)	Organised emission	1	West of the factory area	11.900 mg/L		0.7000	Not approved by regulators	Not exceeded
	COD (domestic sewage)	Organised emission	1	West of the factory area	16.250 mg/L	4.5000	Not approved by regulators	Not exceeded	
	VOCs (organic waste gas)	Organised emission	5	Middle of the factory area	13.010 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing DB44/1837-2016	6.0400	Not approved by regulators	Not exceeded
	Benzene (organic waste gas)	Organised emission	5	Middle of the factory area	0.430 mg/m ³		0.2000	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	-	0.082 mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	-	0.007 mg/m ³	-	Not approved by regulators	Not exceeded	
	Xylene (organic waste gas)	Organised emission	5	Middle of the factory area	3.400 mg/m ³	1.5800	Not approved by regulators	Not exceeded	
	Methylbenzene (organic waste gas)	Organised emission	5	Middle of the factory area	1.110 mg/m ³	0.5100	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Qingdao CIMC Container Manufacture Co., Ltd. ("QDCC")	Noise (day boundary)	Fugitive emission	-	-	56.83 dB	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008 2	-	Not exceeded	
	Noise (night boundary)	Fugitive emission	-	-	48 dB	Standard Class II	-	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.270 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	-	Not approved by regulators	Not exceeded
	Particulate matter (sanding, welding fume)	Organised emission	14	Middle and northeast of the factory area	20.450 mg/m ³		3.9600	Not approved by regulators	Not exceeded
	Particulate matter (organic waste gas)	Organised emission	5	Middle of the factory area	20.000 mg/m ³		9.2800	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	6	North of the assembly workshop	0.490 mg/m ³ (average concentration)	Shandong Provincial Standard - Emission Standard of Volatile Organic Compounds Part 5 (DB37/2801.5-2018)	0.2800	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	North of the assembly workshop	0.200 mg/m ³ (average concentration)		0.0086	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	North of the assembly workshop	6.670 mg/m ³ (average concentration)		3.8300	Not approved by regulators	Not exceeded
	Xylene	Organised emission	6	North of the assembly workshop	1.420 mg/m ³ (average concentration)		0.8100	Amount of emissions not limited by emission permit	Not exceeded
	Particulate matter	Organised emission	18	Northern part of the factory area	3.080 mg/m ³ (average concentration)	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	3.1500	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	6	Northern part of the factory area	2.820 mg/m ³ (average concentration)		0.8200	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	6	Northern part of the factory area	ND (not detected)		0.0000	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	Sewage treatment station	0.450 mg/m ³ (average concentration)	Emission Standards for Odor Pollutants (GB14554-93)	0.0047	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station	0.030 mg/m ³ (average concentration)		0.0003	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	3	South and west of the factory area	297.540 mg/L (average concentration)	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.8700	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	3	South and west of the factory area	18.590 mg/L (average concentration)	Standard Class A	0.0540	Not approved by regulators	Not exceeded
Total nitrogen	Sewage collection pipes	3	South and west of the factory area	26.070 mg/L (average concentration)		0.0710	Not approved by regulators	Not exceeded	
Total phosphorus	Sewage collection pipes	3	South and west of the factory area	0.210 mg/L (average concentration)		0.0006	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Zhangzhou CIMC Container Co., Ltd. ("Zhangzhou CIMC")	SS	Sewage collection pipes	3	South and west of the factory area	19.610 mg/L (average concentration)		0.0540	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand	Sewage collection pipes	3	South and west of the factory area	66.410 mg/L (average concentration)		0.1800	Not approved by regulators	Not exceeded
	Smoke	Organised emission	5	Middle of the factory area	9.080 mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271)	0.0430	Not approved by regulators	Not exceeded
	Blackness	Organised emission	5	Middle of the factory area	<Level 1		-	-	Not exceeded
	Sulfur dioxide	Organised emission	5	Middle of the factory area	14.330 mg/m ³		0.0670	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	5	Middle of the factory area	173.000mg/m ³		0.8110	Not approved by regulators	Not exceeded
	Fume	Organised emission	2	East of the factory area	0.780 mg/m ³	Emission Standard of Cooking Fume (GB18483)	0.0190	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	10	East and middle of the factory area	2.920 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297)	2.2990	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	East of the factory area	0.030 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating (DB35/1783)	0.0120	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	East of the factory area	3.720 mg/m ³		0.3710	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	East of the factory area	1.720 mg/m ³		0.1710	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	7	East of the factory area	3.570 mg/m ³		2.4710	Not approved by regulators	Not exceeded
	Noise (day/night)	Boundary	-	Boundary	Daytime: 57.34 dB; Night: 49.91 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348) Standard III	-	-	Not exceeded
Tianjin CIMC Containers Co., Ltd. ("TJ CIMC")	Sulfur dioxide	Organised emission	7	3 in the painting workshop, 4 in the pre-treatment workshop	3 mg/m ³ (The results in 2020 are all "not detected", thus the emission concentration is calculated based on the detection limit of 3 mg/m ³)	Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB12/556-2015	0.5090	2.5244	Not exceeded
	Nitric oxide	Organised emission	7	3 in the painting workshop, 4 in the pre-treatment workshop	3.416 mg/m ³		0.8590	3.9564	Not exceeded
	Particulate matter (smoke and dust)	Organised emission	7	3 in the painting workshop, 4 in the pre-treatment workshop	3.150 mg/m ³		1.0600	18.3500	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	VOCs	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	13.180 mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises DB12/524-2014	3.5120	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	2 in the pre-treatment workshop	0.099 mg/m ³		0.0120	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	2 in the pre-treatment workshop	7.945 mg/m ³		0.4540	Not approved by regulators	Not exceeded
	Particulate matter (general dust)	Organised emission	11	8 in shot blasting and 3 in sanding workshops	3.013 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.5160	18.3500	Not exceeded
	Particulate matter (general dust)	Organised emission	18	18 in the welding workshop	4.990 mg/m ³		2.6450	18.3500	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.088 mg/m ³		-	Not approved by regulators	Not exceeded
	Noise (boundary)	Fugitive emission	-	-	Daytime: 58.88 dB; Night: 50.13 dB	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008	-	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	-	0.242 mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises DB12/524-2014	-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	-	0.023 mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	-	0.034 mg/m ³		-	Not approved by regulators	Not exceeded
	Odor concentration	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	89.500 mg/m ³	Emission Standards for Odor Pollutants DB12/059-2018	-	Not approved by regulators	Not exceeded
	Odor concentration (boundary)	Fugitive emission	-	-	< 10	Dimensionless	-	Not approved by regulators	Not exceeded
	Ammonia (boundary)	Fugitive emission	-	-	0.180 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen (boundary)	Fugitive emission	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.170 mg/L	Integrated Wastewater Discharge Standard DB12/356-2018	-	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes (no external emission)	1	Southwest of the factory area	1.825 mg/L		-	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes (no external emission)	1	Southwest of the factory area	25.930 mg/L		-	3.2800	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Ningbo CIMC Logistics Equipment Co., Ltd. ("NBCIMC")	Ammonia nitrogen	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.497 mg/L		-	0.4900	Not exceeded
	PH	Sewage collection pipes (no external emission)	1	Southwest of the factory area	7.29 (dimensionless)		-	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand	Sewage collection pipes (no external emission)	1	Southwest of the factory area	8.000 mg/L		-	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.110 mg/L		-	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes (no external emission)	1	Southwest of the factory area	28.000 mg/L		-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	8	Pre-treatment line, paint line, black paint line, spray mark line	13.800 mg/m ³	Emission Standard of Air Pollutants for Industrial Surface Coating (DB33/2146)	11.0900	218.0780	Not exceeded
	Non-methane hydrocarbon	Organised emission	8	Pre-treatment line, paint line, black paint line, spray mark line	12.200 mg/m ³	Form 1	9.8000	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Pre-treatment line and spray mark line	0.100 mg/m ³		0.0820	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	Pre-treatment line and spray mark line	1.100 mg/m ³		0.8800	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	38	Pre-treatment line, welding line and full container sanding line	16.000 mg/m ³		18.7400	133.1380	Not exceeded
	Noise	Boundary	-	Boundary	Daytime: 51.1 dB; Night: 47.87 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008) Standard III Limit	Nil	-	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater	15.000 mg/L	Integrated Wastewater Discharge Standard (GB8978) Standard III	0.6500	1.0900	Not exceeded
	Petroleum	Sewage collection pipes	1	Main outlet of wastewater	2.060 mg/L		0.0740	Not approved by regulators	Not exceeded
	Total zinc	Sewage collection pipes	1	Main outlet of wastewater	0.290 mg/L		0.0037	Not approved by regulators	Not exceeded
Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater	0.949 mg/L		0.0130	0.1100	Not exceeded	
NOx	Organised emission	2	Paint line	6.800 mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271-2014)	0.890	2.1000	Not exceeded	

Table 3

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Rainwater SS	Direct emission	2	Gate 6 and south of main road	12.000 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	-	Not approved by regulators	Not exceeded
	Rainwater PH	Direct emission	2	Gate 6 and south of main road	7.56 (dimensionless)		-	-	Not exceeded
	Rainwater COD	Direct emission	2	Gate 6 and south of main road	16.000 mg/L		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	South of the welding workshop at B-line	0.148 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.0170	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	South of the welding workshop at B-line	0.043 mg/m ³		0.0069	監管部門無核定	Not exceeded
	Particulate matter	Organised emission	8	South and northeastern corner of the welding workshop at B-line	1.580 mg/m ³		0.7400	6.4800	Not exceeded
	VOCs	Organised emission	3	South of the welding workshop at B-line	0.770 mg/m ³	Pursuant to Technical Methods for Making Local Emission Standards of Air Pollutants	0.1400	32.4650	Not exceeded
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Total nitrogen	Intermittent emission	2	East of the plant + dormitory area	12.880 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	1.8850	Not approved by regulators	Not exceeded
	SS	Intermittent emission	2	East of the plant + dormitory area	7.180 mg/L		1.0500	Not approved by regulators	Not exceeded
	Methylbenzene	Intermittent emission	1	East of the plant	0.054 mg/L		0.0030	Not approved by regulators	Not exceeded
	Xylene	Intermittent emission	1	East of the plant	0.104 mg/L		0.0058	Not approved by regulators	Not exceeded
	Petroleum	Intermittent emission	1	East of the plant	0.086 mg/L		0.0048	Not approved by regulators	Not exceeded
	COD	Intermittent emission	2	East of the plant + dormitory area	29.250 mg/L		4.2800	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent emission	2	East of the plant + dormitory area	0.840 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.1240	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	2	East of the plant + dormitory area	8.720 mg/L		1.2770	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	10	Middle of the factory area	5.250 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	4.4600	Not approved by regulators	Not exceeded
VOCs	Organised emission	4	Middle of the factory area	1.140 mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises	1.3036	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Shanghai CIMC Baowell Industries Co. Ltd. ("CIMC Baowell")	Ethyl acetate	Organised emission	4	Middle of the factory area	0.018 mg/m ³	Jiangsu Province Chemical Industry VOCs Emission Standard (DB32/3151-2016)	0.0210	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Middle of the factory area	0.609 mg/m		0.6960	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	Middle of the factory area	0.322 mg/m ³		0.3680	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	South and north of the factory area	5.730 mg/m ³	Emission Standard of Air Pollutants	1.7550	46.1200	Not exceeded
	Particulate matter	Organised emission	14	South and north of the factory area	3.900 mg/m ³		9.0400	31.6230	Not exceeded
	Sulfur dioxide	Organised emission	4	South and north of the factory area	3.000 mg/m ³		0.6400	2.0400	Not exceeded
	Nitric oxide	Organised emission	4	South and north of the factory area	3.500 mg/m ³		0.7400	2.9200	Not exceeded
Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("CIMC Yangshan")	Sulfuretted hydrogen	Boundary	-	-	0.001 mg/m ³	Emission Standards for Odor Pollutants DB31/1025-2016	-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Primer paint	0.005 mg/m ³		0.0004	Not approved by regulators	Not exceeded
	Odor	Organised emission	1	Primer paint	165 (dimensionless)		-	Not approved by regulators	Not exceeded
	Odor	Boundary	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Ammonia	Boundary	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	Primer paint	0.220 mg/m ³		0.0350	Not approved by regulators	Not exceeded
	Xylene	Boundary	-	-	ND (not detected)	Integrated Emission Standard of Air Pollutants DB31/933-2015	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	7	Pre-treatment sanding line, full container sanding #1 line, full container sanding #s line, full container sanding #3 line, primer paint line, intermediary paint line, exterior paint line	0.360 mg/m ³		0.2160	6.1144	Not exceeded
	Methylbenzene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded
Non-methane hydrocarbon	Boundary	-	-	1.480 mg/m ³		-	-	Not exceeded	
Benzene	Organised emission	1	Pre-treatment sanding line	0.155 mg/m ³		0.0050	Not approved by regulators	Not exceeded	
Particulate matter	Boundary	-	-	0.065 mg/m ³		-	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Benzene	Boundary	-	-	ND (not detected)		-	Not approved by regulators	
	Methylbenzene	Boundary	-	-	ND (not detected)		-	Not approved by regulators	
	VOCs	Organised emission	4	Pre-treatment sanding line, primer paint line, intermediary paint line, exterior paint line	18.820 mg/m ³		6.5100	19.257吨/年	Not exceeded
	Fume	Organised emission	2	The small canteen, the great canteen	0.290 mg/m ³	Emission Standard of Cooking Fume DB31/844-2012	0.0120	Not approved by regulators	Not exceeded
	Sulfide	Sewage collection pipes	1	Main outlet of wastewater	0.086 mg/L	DB31/199-2018 Integrated Wastewater Discharge Standard	0.0040	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Main outlet of wastewater	34.000 mg/L		1.7500	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater	30.000 mg/L		1.5500	34.2200	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater	0.700 mg/L		0.0400	2.4000	Not exceeded
	PH	Sewage collection pipes	1	Main outlet of wastewater	7.15 (dimensionless)		-	-	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Main outlet of wastewater	4.340 mg/L		0.2230	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Rainwater outlet	31.000 mg/L		-	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	Main outlet of wastewater	0.490 mg/L		0.0250	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	Main outlet of wastewater	1.040 mg/L		0.0530	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Main outlet of wastewater	0.088 mg/L		0.0045	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand	Sewage collection pipes	1	Main outlet of wastewater	69.600 mg/L		3.5800	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Main outlet of wastewater	9.160 mg/L		0.4700	5.925吨/年	Not exceeded
	Total dissolved solids	Sewage collection pipes	1	Main outlet of wastewater	262.000 mg/L		13.5000	Not approved by regulators	Not exceeded
	Noise (daytime)	Boundary	-	-	58.75 dB	GB12348-2008 Emission Standard for Industrial Enterprise Noise at Boundary	-	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	2	Production boiler, domestic boiler	ND (not detected)	DB31/387-2018 Boiler Air Pollutant Discharge Standard	-	0.0073	Not exceeded
	Nitric oxide	Organised emission	2	Production boiler, domestic boiler	34.000 mg/m ³		0.1600	0.6586	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
CIMC Taicang Refrigeration Equipment Logistics Co., Ltd. ("TCCRC")	Isopropyl alcohol	Organised emission	6	South and north of #3 workshop, north of #1 workshop, pre-treatment workshop	0.100 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	0.1100	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	15	North of #3 plant, two sides of the subassembly, north of #1 workshop	1.480 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.9200	22.2800	Not exceeded
	Xylene	Organised emission	8	South and north of #3 workshop, north of #1 workshop, pre-treatment workshop	1.300 mg/m ³	Relevant standards set out in Time Slot II of the Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) (DB44/816-2010)	0.5800	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	South and north of #3 workshop, north of #1 workshop, pre-treatment workshop	0.460 mg/m ³	Relevant standards set out in Time Slot II of the Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) (DB44/816-2010)	0.1600	Not approved by regulators	Not exceeded
	VOCs	Organised emission	8	South and north of #3 workshop, north of #1 workshop, pre-treatment workshop	2.510 mg/m ³	Relevant standards set out in Time Slot II of the Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) (DB44/816-2010)	1.0980	99.3500	Not exceeded
Taicang CIMC Special Logistic Equipment Co. Ltd. ("Taicang Special Equipment")	VOCs	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	2.330 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	0.8300	77.5370	Not exceeded
	Normal butyl alcohol	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	<0.2 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	0.0140	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	South of finished workshop and northwest of pre-treatment workshop at A line	1.480 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.4200	8.6400	Not exceeded
	Methylbenzene	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	0.088 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	0.1300	Not approved by regulators	Not exceeded
	Xylene	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	0.285 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	0.2200	Not approved by regulators	Not exceeded
	Rainwater pH	Direct emission	2	Gate 4 and north of the main road	7.66 (dimensionless)	Integrated Wastewater Discharge Standard (GB8978-1996)	-	-	Not exceeded
	Rainwater COD	Direct emission	2	Gate 4 and north of the main road	14.000 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	-	Not approved by regulators	Not exceeded
	Rainwater SS	Direct emission	2	Gate 4 and north of the main road	16.000 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	-	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Zhumadian CIMC Huajun Casting Co. Ltd. ("Zhumadian CIMC Huajun Casting")	Ammonia nitrogen	Intermittent emission	1	Domestic sewage emission outlet	2.700 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	1.9870	Not approved by regulators	Not exceeded
	COD	Intermittent emission	1	Domestic sewage emission outlet	17.000 mg/L		0.1497	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent emission	1	Domestic sewage emission outlet	0.220 mg/L		0.1903	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	2	1 outlet for each of the 2 subsequent spray-painting lines	6.390 mg/m ³	Yu Huan Gong Jian Ban [2017] No. 162 Notice on the Proposed Emission Limit in the Work of Special Treatment of Volatile Organic Compounds of Industrial Enterprises, limit being 50mg/Nm ³	1.0193	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	6	1 outlet for each of the 2 lines for smelting, shot blasting, spaying painting	7.700 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	3.1550	Not approved by regulators	Not exceeded
Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Methylbenzene	Organised emission	2	1 outlet for each of the 2 subsequent spray-painting lines	ND (not detected)		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	1 outlet for each of the 2 subsequent spray-painting lines	ND (not detected)		-	Not approved by regulators	Not exceeded
	SS	Intermittent emission	1	Domestic sewage emission outlet	121.000 mg/L	Discharge Limits of Water Pollutants DB44/26-2001 Time slot II Level III Standard, 400mg/l	3.3660	Not approved by regulators	Not exceeded
	Manganese and its compounds	Organised emission	6	Structure workshop	0.088 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001 Time slot II Level II Standard	0.0181	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	18	Structure workshop, coating workshop	3.300 mg/m ³		2.460	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	8	Coating workshop	ND (not detected)		-	Not approved by regulators	Not exceeded
	NOX	Organised emission	8	Coating workshop	110.000 mg/m ³		2.1460	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Coating workshop	1.560 mg/m ³	Relevant standards set out in Time Slot II of the Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0.1770	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission	
Zhumadian CIMC Huajun Vehicle Co., Ltd. ("Zhumadian CIMC Huajun Vehicle")	COD	Intermittent emission	1	Domestic wastewater outlet	7.000 mg/L	Environmental Quality Standard for Surface Water GB3838-2002 Category IV	0.0800	Not approved by regulators	Not exceeded	
	BOD5	Intermittent emission	1	Domestic wastewater outlet	1.100 mg/L		0.0126	Not approved by regulators	Not exceeded	
	Total phosphorus	Intermittent emission	1	Domestic wastewater outlet	0.070 mg/L		0.0008	Not approved by regulators	Not exceeded	
	Fluoride	Intermittent emission	1	Domestic wastewater outlet	1.420 mg/L		0.0163	Not approved by regulators	Not exceeded	
	Petroleum	Intermittent emission	1	Domestic wastewater outlet	0.330 mg/L		0.0040	Not approved by regulators	Not exceeded	
	PH	Intermittent emission	1	Domestic wastewater outlet	7.62 (dimensionless)		-	Not approved by regulators	Not exceeded	
	SS	Intermittent emission	1	Domestic wastewater outlet	6.000 mg/L		Discharge Standard of Water Pollutants for Electroplating DB44/1597-2015 Table 2 Water Pollutant Emission Limit for New Projects of Pearl River Delta, limit being 30mg/L	0.0690	Not approved by regulators	Not exceeded
	COD	Intermittent emission	1	Domestic sewage emission outlet	259.000 mg/L	Discharge Limits of Water Pollutants DB44/26-2001 Time Slot II Level III		7.2050	Not approved by regulators	Not exceeded
	BOD5	Intermittent emission	1	Domestic sewage emission outlet	94.500 mg/L			2.6290	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	Domestic sewage emission outlet	16.300 mg/L			0.4530	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent emission	1	Domestic sewage emission outlet	3.380 mg/L			0.0940	Not approved by regulators	Not exceeded
	Total phosphorus	Organised emission	1	The main outlet of the plant	0.880 mg/L	Integrated Wastewater Discharge Standard GB8978-1996		0.0346	Not approved by regulators	Not exceeded
	Fluoride	Organised emission	1	The main outlet of the plant	0.382 mg/L			0.0079	Not approved by regulators	Not exceeded
	Anionic surfactant	Organised emission	1	The main outlet of the plant	0.178 mg/L		0.0043	Not approved by regulators	Not exceeded	
Petroleum	Organised emission	1	The main outlet of the plant	0.060 mg/L	0.0068		Not approved by regulators	Not exceeded		
Phosphate	Organised emission	1	The main outlet of the plant	0.318 mg/L	0.0125		0.0316	Not exceeded		
SS	Organised emission	1	The main outlet of the plant	8.750 mg/L	0.1660		Not approved by regulators	Not exceeded		
COD	Organised emission	1	The main outlet of the plant	17.75 mg/L	0.2210		3.4440	Not exceeded		
Ammonia nitrogen	Organised emission	1	The main outlet of the plant	1.128 mg/L	0.0120	0.4750	Not exceeded			
Five-day biochemical oxygen demand	Organised emission	1	The main outlet of the plant	3.550 mg/L	0.0510	Not approved by regulators	Not exceeded			

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission	
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("Yangzhou CIMC Tong Hua")	PH	Organised emission	1	The main outlet of the plant	7.21 (dimensionless)		-	Not approved by regulators	Not exceeded	
	Xylene	Organised emission	11	The outer edge of coating workshop	9.680 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB41/1951-2020, limit for methylbenzene and xylene being 20mg/m ³	5.4410	Not approved by regulators	Not exceeded	
	Methylbenzene	Organised emission	11	The outer edge of coating workshop	3.200 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB41/1951-2020, limit being 50mg/m ³	0.9300	Not approved by regulators	Not exceeded	
	Non-methane hydrocarbon	Organised emission	11	The outer edge of coating workshop	10.400 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	16.2900	58.8350	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	7	The outer edge of sanding workshop	8.800 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.3730	Not approved by regulators	Not exceeded	
	Particulate matter	Organised emission	3	#6 workshop of the South Plant, KTL workshop	6.600 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	3.5490	Not approved by regulators	Not exceeded	
	Phosphoric acid fume	Organised emission	1	KTL workshop	ND (not detected)	Integrated Emission Standard of Air Pollutants DB31/933-2015	0.0014	Not approved by regulators	Not exceeded	
	Methylbenzene	Organised emission	15	#7 workshop of the South Plant, KTL workshop	0.065 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB32/2862-2016	0.0860	Not approved by regulators	Not exceeded	
	Xylene	Organised emission	15	#7 workshop of the South Plant, KTL workshop	0.051 mg/m ³		0.1290	Not approved by regulators	Not exceeded	
	VOCs	Organised emission	15	#7 workshop of the South Plant, KTL workshop	8.910 mg/m ³		0.8670	3.1420	Not approved by regulators	Not exceeded
	Blackness of fume	Organised emission	2	KTL workshop	<Level 1	Boiler Air Pollutant Discharge Standard GB13271-2014	-	Not approved by regulators	Not exceeded	
	Particulate matter	Organised emission	2	KTL workshop	7.300 mg/m ³		0.0250	Not approved by regulators	Not exceeded	
	Sulfur dioxide	Organised emission	2	KTL workshop	ND (not detected)		0.0018	Not approved by regulators	Not exceeded	
	Nitric oxide	Organised emission	2	KTL workshop	30.000 mg/m ³		0.1430	Not approved by regulators	Not exceeded	
	Blackness of fume	Organised emission	4	KTL workshop	<Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Exposure Draft)	-	Not approved by regulators	Not exceeded	
	Particulate matter	Organised emission	4	KTL workshop	7.100 mg/m ³		0.0190	Not approved by regulators	Not exceeded	
	Sulfur dioxide	Organised emission	4	KTL workshop	ND (not detected)		0.0037	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Nitric oxide	Organised emission	4	KTL workshop	84.000 mg/m ³		0.3170	Not approved by regulators	Not exceeded
	Total nickel	Sewage collection pipes	1	South of Linjiang Plant	0.350 mg/L	Integrated Wastewater Discharge Standard GB8978-	0.0037	0.0080	Not exceeded
	PH	Sewage collection pipes	1	South of Linjiang Plant	7.32 (dimensionless)	1996 Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015	-	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	South of Linjiang Plant	0.316 mg/L		1.1700	2.8900	Not exceeded
	Total phosphorus	Sewage collection pipes	1	South of Linjiang Plant	0.250 mg/L		0.1080	0.5300	Not exceeded
	COD	Sewage collection pipes	1	South of Linjiang Plant	56.000 mg/L		31.1850	45.6000	Not exceeded
	Total nitrogen	Sewage collection pipes	1	South of Linjiang Plant	24.900 mg/L		4.7720	4.8900	Not exceeded
	Petroleum	Sewage collection pipes	1	South of Linjiang Plant	0.470 mg/L		0.2220	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	South of Linjiang Plant	21.000 mg/L		7.0240	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand	Sewage collection pipes	1	South of Linjiang Plant	28.500 mg/L		14.6740	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	South of Linjiang Plant	0.459 mg/L		0.1420	Not approved by regulators	Not exceeded
	Total zinc	Sewage collection pipes	1	South of Linjiang Plant	0.080 mg/L		0.0170	Not approved by regulators	Not exceeded
	Total manganese	Sewage collection pipes	1	South of Linjiang Plant	0.180 mg/L		0.0790	Not approved by regulators	Not exceeded
CIMC-SHAC (Xi'an) Special Vehicle Co., Ltd. ("Xi'an Special Vehicle")	Particulate matter	Organised emission	6	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room, 2 outside the sanding room	11.700 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.8411	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	3	1 outside the primer paint room, 1 outside the top paint room, 1 outside the small parts painting room	3.000 mg/m ³		0.1396	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	3	1 outside the primer paint room, 1 outside the top paint room, 1 outside the small parts painting room	3.000 mg/m ³		0.1486	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room	1.580 mg/m ³	Shaanxi Provincial Emission Control Standard of Volatile Organic Compounds (DB61/T1061-2017)	0.2126	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Wuhu CIMC Ruijiang Automobile Co., Ltd. ("Wuhu CIMC Ruijiang")	Xylene	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room	10.500 mg/m ³		1.4114	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room	4.800 mg/m ³		1.0495	45.5000	Not exceeded
	VOCS	Organised emission	6	2 in the powder tank truck painting workshop, 4 in the tank truck painting workshop	8.380 mg/m ³	Hebei Province Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises DB13/2332-2016	2.0720	8.0400	Not exceeded
	Nitric oxide	Organised emission	6	2 in the powder tank truck painting workshop, 4 in the tank truck painting workshop	16.000 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.2990	8.8210	Not exceeded
	Fluoride	Organised emission	1	Tank truck pickling station	0.090 mg/m ³		0.0016	Not approved by regulators	Not exceeded
	Xylene	Organised emission	6	2 in the powder tank truck painting workshop, 4 in the tank truck painting workshop	0.050 mg/m ³		1.2260	1.6890	Not exceeded
	Particulate matter1	Organised emission	4	1 in the powder tank truck painting workshop, 3 in the tank truck painting workshop	25.100 mg/m ³		2.8200	16.7820	Not exceeded
	Sulfur dioxide	Organised emission	6	2 in the powder tank truck painting workshop, 4 in the tank truck painting workshop	3.000 mg/m ³		0.2080	2.3660	Not exceeded
	Particulate matter2	Organised emission	5	2 in the mixer truck workshop, 2 in powder tank truck workshop and 1 in tank truck workshop	ND (not detected)		-	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Main outlet of wastewater	6.000 mg/L	Integrated Wastewater Discharge Standard	0.7182	1.2989	Not exceeded
Five-day biochemical oxygen demand	Sewage collection pipes	1	Main outlet of wastewater	3.600 mg/L	GB8978-1996 Level III	0.0334	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd. ("Wanshida SPV")	Ammonia nitrogen	Indirect emission	1	Main outlet of wastewater	15.200 mg/L		0.1411	0.1441	Not exceeded
	PH	Indirect emission	1	Main outlet of wastewater	6.47 (dimensionless)		-	-	Not exceeded
	Animal and vegetable oil	Indirect emission	1	Main outlet of wastewater	0.070 mg/L		0.0025	0.08138	Not exceeded
	COD	Indirect emission	1	Main outlet of wastewater	13.600 mg/L		0.4730	4.789	Not exceeded
	Fluoride	Indirect emission	1	Main outlet of wastewater	0.130 mg/L		0.0045	Not approved by regulators	Not exceeded
	Petroleum	Indirect emission	1	Main outlet of wastewater	0.780 mg/L		0.0043	0.0500	Not exceeded
	Methylbenzene	Organised	1	Painting room, drying room	0.042 mg/m ³	Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.1171	Not approved by regulators	Not exceeded
	Xylene	Organised	1	Painting room, drying room	0.021 mg/m ³		0.2225	Not approved by regulators	Not exceeded
	VOCs	Organised	1	Painting room, drying room	32.800 mg/m ³		2.0440	78.6450	Not exceeded
	Nitric oxide	Organised	2	Drying room	ND (not detected)	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.4437	Not approved by regulators	Not exceeded
Shenzhen CIMC Special Vehicle Co., Ltd. ("Shenzhen CIMC Special Vehicle")	Sulfur dioxide	Organised	2	Drying room	ND (not detected)		0.4437	Not approved by regulators	Not exceeded
	Particulate matter	Organised	2	Shot blasting room	1.100 mg/m ³		3.2983	Not approved by regulators	Not exceeded
	Methylbenzene + Xylene	Organised emission	1	Coating workshop	0.110 mg/m ³	Relevant standards set out in Time Slot II of the Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0.0030	Not approved by regulators	Not exceeded
	VOCs (VOCs)	Organised emission	2	Coating workshop	5.420 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0.0940	0.1340	Not exceeded
	Particulate matter1	Organised emission	3	Welding workshop	2.100 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	0.9100	1.8300	Not exceeded
	Particulate matter2	Organised emission	6	Coating workshop	16.000 mg/m ³	Boiler Air Pollutant Discharge Standard B13271-2014	0.0400	1.8300	Not exceeded
	Nitric oxide	Organised emission	6	Coating workshop	99.000 mg/m ³		0.7600	0.8400	Not exceeded
	Sulfur dioxide	Organised emission	6	Coating workshop	6.000 mg/m ³		0.0100	0.1800	Not exceeded
Ringelmann emittance	Organised emission	6	Coating workshop	Level 0		0	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
CIMC Vehicles (Shandong) Co., Ltd. ("Shandong CIMC Vehicles")	Smoke	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	8.400 mg/m ³	Boiler Air Pollutant Discharge Standard of Shandong Province (DB37/2374-2018)	0.0158	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	4	The boiler room of refrigeration, cold transportation workshop, painting workshop - painting color separation line, small parts drying line	40.000 mg/m ³		0.1950	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	4	The boiler room of refrigeration, cold transportation workshop, painting workshop - painting color separation line, small parts drying line	6.000 mg/m ³		0.0113	Not approved by regulators	Not exceeded
	Ringelmann emittance	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	<1Level		-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation)	2.260 mg/m ³	Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.0387	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation)	8.600 mg/m ³		0.9966	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation), plate making process, cold foaming process	26.400 mg/m ³		5.1021	20.6500	Not exceeded
	Benzene	Organised emission	4	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation)	0.086 mg/m ³		0.0037	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Particulate matter	Organised emission	6	Painting workshop – painting line (small parts, color separation), drying line (small parts, color separation), carving and trimming line, plasma cutting	3.100 mg/m ³	Shandong Provincial Standard – Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019), limit being 10mg/m ³	0.4383	Not approved by regulators	
	Ammonia nitrogen	Intermittent discharge with uncertain flow	1	Domestic sewage outlet	3.100 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.0833	Not approved by regulators	Not exceeded
	SS	Intermittent discharge with uncertain flow	1	Domestic sewage outlet	38.000 mg/L	Grade A	0.5064	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand	Intermittent discharge with uncertain flow	1	Domestic sewage outlet	6.400 mg/L		0.0791	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent discharge with uncertain flow	1	Domestic sewage outlet	5.190 mg/L		0.0556	Not approved by regulators	Not exceeded
	PH	Intermittent discharge with uncertain flow	1	Domestic sewage outlet	7.68 (dimensionless)		7.6800	Not approved by regulators	Not exceeded
	COD	Intermittent discharge with uncertain flow	1	Domestic sewage outlet	19.000 mg/L		0.3111	Not approved by regulators	Not exceeded
Qingdao CIMC Special Vehicle Co., Ltd. ("Qingdao CIMC Special Vehicle")	VOCS	Organised emission	1	Painting workshop	1.070 mg/m ³	Volatile Organic Compounds Emission Standard Part I:	0.1182	71.1800	Not exceeded
	Xylene	Organised emission	1	Painting workshop	0.616 mg/m ³	Automotive Manufacturing, DB37/2801.1-2016	0.0427	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	Painting workshop	7.050 mg/m ³	Regional and Integrated Emission Standard of Air Pollutants (DB372376-2019)	0.9598	Not approved by regulators	Not exceeded
	COD	Organised emission	1	Sewage outlet	36.000 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade B	0.5014	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Sewage outlet	2.250 mg/L		0.0113	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Sewage outlet	6.99 (dimensionless)		-	Not approved by regulators	Not exceeded
Qingdao CIMC Eco-Equipment Co., Ltd. ("Qingdao CIMC Eco-Equipment")	Methylbenzene	Organised emission	1	Painting workshop	0.168 mg/m ³	Volatile Organic Compounds Emission Standard Part I:	0.0106	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Painting workshop	0.131 mg/m ³	Automotive Manufacturing (DB37/2801.1-2016)	0.0178	Not approved by regulators	Not exceeded
	VOCS	Organised emission	1	Painting workshop	0.570 mg/m ³		0.0739	39.6900	Not exceeded
	Particulate matter	Organised emission	2	Painting workshop/putty room	1.700 mg/m ³	Regional and Integrated Emission Standard of Air Pollutants (DB372376-2019)	0.4858	Not approved by regulators	Not exceeded

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Luoyang CIMC Lingyu Automobile Co., Ltd. ("Luoyang CIMC Lingyu")	Hydrogen chloride	Organised emission	1	Pre-treatment	0.240 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.0273	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Sewage treatment station	25.000 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.0552	4.8420	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Sewage treatment station	15.400 mg/L	Grade B	0.0164	0.4360	Not exceeded
	PH	Indirect emission	1	Sewage treatment station	7.12 (dimensionless)		-	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission	1	Sewage treatment station	16.000 mg/L		0.0198	0.6780	Not exceeded
	Particulate matter1	Organised emission	1	Power line gas boilers	3.300 mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271-2014)	0.0030	Not approved by regulators	Not exceeded
	Sulfur dioxide1	Organised emission	1	Power line gas boilers	ND (not detected)		-	1.3800	Not exceeded
	Sulfur dioxide2	Organised emission	11	Painting workshop drying room, powder line drying room, powder solidification room and heating furnace	12.000 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB41/1066-2020) Standard of Table 1	0.0730	1.3800	Not exceeded
	Nitric oxide2	Organised emission	11	Painting workshop drying room, powder line drying room, powder solidification room and heating furnace	129.000 mg/m ³		0.9570	5.1300	Not exceeded
	Particulate matter2	Organised emission	11	Painting workshop drying room, powder line drying room, powder solidification room and heating furnace	5.400 mg/m ³		0.0700	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Main outlet of factory wastewater	20.996 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.8050	1.2140	Not exceeded
	Petroleum	Indirect emission	1	Main outlet of factory wastewater	0.360 mg/L		0.0110	Not approved by regulators	Not exceeded
	Phosphate	Indirect emission	1	Main outlet of factory wastewater	2.303 mg/L		0.0680	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Main outlet of factory wastewater	12.000 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) Class 3 in Table 4	0.5620	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Main outlet of factory wastewater	7.817 (dimensionless)		-	Not approved by regulators	Not exceeded
	Fluoride	Indirect emission	1	Main outlet of factory wastewater	1.000 mg/L		0.0330	Not approved by regulators	Not exceeded
Biochemical oxygen demand	Indirect emission	1	Main outlet of factory wastewater	14.500 mg/L		0.6820	Not approved by regulators	Not exceeded	
COD	Indirect emission	1	Main outlet of factory wastewater	202.871 mg/L		3.0240	8.9060	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
CIMC Vehicles (Liaoning Co., Ltd. ("Liaoning CIMC Vehicles"))	Anionic surfactant	Indirect emission	1	Main outlet of factory wastewater	0.094 mg/L		0.0100	Not approved by regulators	Not exceeded
	Particulate matter ⁴	Organised emission	8	Painting room of the painting workshop, polishing room, sand blasting room, shot blasting room, powder room of the power line	8.800 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996) Class 2 in Table 2	5.3400	Not approved by regulators	Not exceeded
	Nitric oxide ¹	Organised emission	1	Power line gas boilers	24.000 mg/m ³	The Notice on Publication of the Six Special Programs on Prevention and Control of Industrial Air Pollution in Henan Province issued by the Department of Ecology and Environment of Henan Province (Yu Huan Wen [2019] No. 84)	0.0230	5.1300	Not exceeded
	Particulate matter ³	Organised emission	20	Cutting and welding dust control facilities	4.200 mg/m ³	Special Program for Industrial Pollution Control in Luoyang City for 2020 (Luo Huan Gong Jian Ban [2020] No. 14)	0.4710	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Paint spraying and drying waste gas treatment facilities in painting workshop	0.440 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating (DB41/1951-2020) Standard of Table 1	0.0180	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	3	Paint spraying and drying waste gas treatment facilities in painting workshop, powder solidification room and hot cleaning furnace of powder line	37.400 mg/m ³		6.8440	18.5100	Not exceeded
	Methylbenzene	Organised emission	1	Paint spraying and drying waste gas treatment facilities in painting workshop	0.269 mg/m ³		0.0130	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Main outlet of wastewater	7.64 (dimensionless)	Integrated Wastewater Discharge Standard DB21/1627-2008	-	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand	Indirect emission	1	Main outlet of wastewater	40.200 mg/L		0.2400	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Main outlet of wastewater	225.000 mg/L		1.3400	Not approved by regulators	Not exceeded
Total phosphorus	Indirect emission	1	Main outlet of wastewater	0.250 mg/L		0.0015	Not approved by regulators	Not exceeded	
Ammonia nitrogen	Indirect emission	1	Main outlet of wastewater	6.200 mg/L		0.0370	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	COD	Indirect emission	1	Main outlet of wastewater	163.000 mg/L		0.9750	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission	1	Main outlet of wastewater	50.000 mg/L		0.2990	Not approved by regulators	Not exceeded
	Particulate matter1	Organised emission	1	Outlet DA006 at north side of the drying room of phase I workshop	12.500 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB9078-1996	0.0060	0.0080	Not exceeded
	Sulfur dioxide1	Organised emission	1	1 outlet DA006 at north side of the drying room of phase I workshop	8.000 mg/m ³		0.0040	0.0410	Not exceeded
	NOX 1	Organised emission	1	1 outlet DA006 at north side of the drying room of phase I workshop	78.000 mg/m ³		0.0400	0.1240	Not exceeded
	Blackness of fume1	Organised emission	1	1 outlet DA006 at north side of the drying room of phase I workshop	<Level 1		-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	2 outlets (DA001-002) at north side of the phase I workshop	11.600 mg/m ³		1.400	Not approved by regulators	Not exceeded
	Sulfur dioxide2	Organised emission	2	2 outlets (DA007-008) in boiler room for winter heat supply	8.000 mg/m ³	Integrated Emission Standard of Air Pollutants 16297-1996	0.0600	Not approved by regulators	Not exceeded
	NOX 2	Organised emission	2	2 outlets (DA007-008) in boiler room for winter heat supply	72.000 mg/m ³		0.4800	Not approved by regulators	Not exceeded
	Blackness of fume2	Organised emission	2	2 outlets (DA007-008) in boiler room for winter heat supply	<Level 1		-	Not approved by regulators	Not exceeded
	Particulate matter2	Organised emission	7	1 outlet (DA001-005) in the drying room at the north side of the phase I workshop, 2 outlets (DA007-008) in boiler room for winter heat supply	14.500 mg/m ³		0.1450	Not approved by regulators	Not exceeded
Liangshan CIMC Dongyue Vehicle Co., Ltd. ("Liangshan CIMC Dongyue")	VOCs	Organised	1	Painting room	27.000 mg/m ³	Volatile Organic Compounds	1.346	149.7300	Not exceeded
	Methylbenzene	Organised	1	Painting room	0.050 mg/m ³	Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.050	Not approved by regulators	Not exceeded
	Xylene	Organised	1	Painting room	0.033 mg/m ³		0.307	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised	1	Painting room	ND (not detected)	Shandong Provincial Standard - Regional and Integrated	0.1026	Not approved by regulators	Not exceeded
	Nitric oxide	Organised	1	Painting room	ND (not detected)	Emission Standard of Air Pollutants (DB37/2376-2019)	0.1026	Not approved by regulators	Not exceeded
	Particulate matter	Organised	3	1 in painting room and 2 in shot blasting room	18.700 mg/m ³		2.720	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Zhangjiagang Sanctum")	Waste gas - particulate matter	Organised emission	4	East and west of the plant	1.200-10.500 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.1740	Not approved by regulators	Not exceeded
	Waste gas - non-methane hydrocarbon	Organised emission	3	North, east and west of the plant	5-45.100 mg/m ³		25.0240	Not approved by regulators	Not exceeded
	Waste gas-xylene	Organised emission	3	North, east and west sides of the factory area	0.189-6.200 mg/m ³		0.7420	Not approved by regulators	Not exceeded
	Waste gas-methylbenzene	Organised emission	3	North, east and west sides of the factory area	0-10.000 mg/m ³		0.0370	Not approved by regulators	Not exceeded
	Domestic sewage-BOD5	Intermittent emission	1	Southwest corner of the factory area	69.000 mg/L	Integrated Wastewater Discharge Standard(GB8978-1996)	4.4160	Not approved by regulators	Not exceeded
	Domestic sewage- PH	Intermittent emission	1	Southwest corner of the factory area	7.27 (dimensionless)		-	Not approved by regulators	Not exceeded
	Domestic sewage-ammonia nitrogen	Intermittent emission	1	Southwest corner of the factory area	1.100 mg/L		0.0480	Not approved by regulators	Not exceeded
	Domestic sewage-total phosphorus	Intermittent emission	1	Southwest corner of the factory area	1.760 mg/L		0.1120	Not approved by regulators	Not exceeded
	Domestic sewage-COD	Intermittent emission	1	Southwest corner of the factory area	195.000 mg/L		12.4800	Not approved by regulators	Not exceeded
	Domestic sewage-animal and vegetable oil	Intermittent emission	1	Southwest corner of the factory area	12.300 mg/L		7.8800	Not approved by regulators	Not exceeded
Domestic sewage- SS	Intermittent emission	1	Southwest corner of the factory area	30.000 mg/L		1.9200	Not approved by regulators	Not exceeded	
Shijiazhuang Enric Gas Equipment Co., Ltd. ("Shijiazhuang Gas Equipment")	Non-methane hydrocarbon	Organised emission	10	11 painting rooms of each workshop and the temporary storage room for hazardous waste	4.450-14.800 mg/m ³	60 mg/m ³	6.3460	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room, etc. of each workshop in factory	4.000-15.000 mg/m ³	200 mg/m ³	0.2160	2.8080	Not exceeded
	Nitric oxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room, etc. of each workshop in factory	14.000-61.000 mg/m ³	300 mg/m ³	1.2610	18.5690	Not exceeded
	COD	Sewage collection pipes	1	Wastewater main outlet at the north side of factory	37.000-76.000 mg/L	150 mg/L	0.5140	5.6460	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
	Ammonia nitrogen	Sewage collection pipes	1	Wastewater main outlet at the north side of factory	5.010-21.620 mg/L	25 mg/L	0.0560	0.9410	Not exceeded
	Particulate matter	Organised emission	38	Heat treatment furnace, curing furnace, heating furnace in painting room, sanding room, putty room, outer polishing machine, etc. of each workshop	2.000-9.100 mg/m ³	120 mg/m ³	0.4090	3.6850	Not exceeded
	Methylbenzene + xylene	Organised emission	10	11 painting rooms of each workshop and the temporary storage room for hazardous waste	1.310-8.030 mg/m ³	20 mg/m ³	1.9930	Not approved by regulators	Not exceeded
Nantong CIMC Energy Equipment Co, Ltd. (*Nantong CIMC Energy Equipment*)	COD	Organised emission	1	WS01 outlet	44.000 mg/L	Integrated Wastewater Discharge Standard(GB8978-1996)	1.9100	11.8270	Not exceeded
	Ammonia nitrogen	Organised emission	1	WS01 outlet	2.600 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers(GB/T31962-2015)	0.1100	1.1920	Not exceeded
	Particulate matter	Organised emission	3	Low-temperature sanding room (room 1 and room 2), tank truck sanding room	4.600 mg/L	Integrated Emission Standard of Air Pollutants(GB16297-1996)	0.7400	1.5090	Not exceeded
	Methylbenzene	Organised emission	4	Low-temperature workshop (paint room, oasthouse), tank truck workshop (paint room, oasthouse), gas bottle production workshop (winding, solidification)	0.103 mg/L	Jiangsu Province Chemical Industry VOCs Emission Standard(DB32/3151-2016)	0.1040	0.1230	Not exceeded
	Xylene	Organised emission	4	Low-temperature workshop (paint room, oasthouse), tank truck workshop (paint room, oasthouse), gas bottle production workshop (winding, solidification)	1.150 mg/L		1.1740	1.3200	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Low-temperature workshop (paint room, oasthouse), tank truck workshop (paint room, oasthouse), gas bottle production workshop (winding, solidification)	2.270 mg/L		2.3020	2.4490	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission	
Nantong CIMC Tank Equipment Co., Ltd. ("Nantong CIMC Tank")	COD	Sewage collection pipes	1	Main outlet of the company	34.000 mg/L	500 mg/L	2.0300	Not approved by regulators	Not exceeded	
	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of the company	2.000 mg/L	45 mg/L	0.1100	Not approved by regulators	Not exceeded	
	VOCS(Non-methane hydrocarbon)	Organised emission	4	Voc outlet	4.800 mg/m ³	120 mg/m ³	1.5520	Not approved by regulators	Not exceeded	
Nantong SinoPacific Offshore & Engineering Co., Ltd. ("SOE")	Nitric oxide	Exhaust pipes	3	East of the factory area	39.000 mg/m ³	Boiler Air Pollutant Discharge Standard GB13271-2014	0.0900	Not approved by regulators	Not exceeded	
	Sulfur dioxide	Exhaust pipes	3	East of the factory area	3.000 mg/m ³		0.0180	Not approved by regulators	Not exceeded	
	Smoke and dust	Exhaust pipes	3	East of the factory area	1.000 mg/m ³		0.0070	Not approved by regulators	Not exceeded	
	Dust	Exhaust pipes	6	East and middle of the factory area	1.000 mg/m ³	Integrated Emission Standard of Air	6.5700	Not approved by regulators	Not exceeded	
	Paint mist	Exhaust pipes	5	East and middle of the factory area	1.000 mg/m ³	Pollutants(DB31/933-2015)	1.3600	Not approved by regulators	Not exceeded	
	Xylene	Exhaust pipes	5	East and middle of the factory area	0.002 mg/m ³		1.7300	Not approved by regulators	Not exceeded	
	Methylbenzene	Exhaust pipes	5	East and middle of the factory area	0.002 mg/m ³		1.7100	Not approved by regulators	Not exceeded	
	VOCS	Exhaust pipes	5	East and middle of the factory area	1.830 mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises (DB12/524-2014)	2.9576	Not approved by regulators	Not exceeded	
	PH	Wastewater is discharged into the river outside the factory through sewage collection pipes		1	North of the factory area	7.08(dimensionless)	Centralized Collection Agreement	-	Not approved by regulators	Not exceeded
	Total phosphorus	Total phosphorus wastewater is discharged into the river outside the factory through sewage collection pipes		1	North of the factory area	2.810 mg/L	Centralized Collection Agreement	0.0470	Not approved by regulators	Not exceeded
BOD5	Wastewater is discharged into the river outside the factory through sewage collection pipes		1	North of the factory area	48.800 mg/L	Centralized Collection Agreement	0.7850	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Shenzhen CIMC- TianDa Airport Support Ltd. ("TianDa Airport")	Petroleum	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	0.150 mg/L	Centralized Collection Agreement	0.4650	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	17.300 mg/L	Centralized Collection Agreement	0.0210	Not approved by regulators	Not exceeded
	Anionic surfactant	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	0.170 mg/L	Centralized Collection Agreement	0.0200	Not approved by regulators	Not exceeded
	COD	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	83.000 mg/L	Centralized Collection Agreement	1.9840	Not approved by regulators	Not exceeded
	Methylbenzene	Fugitive emission	-	Boundary	ND (not detected)	DB44/21-2001 Table 2 Time Slot II Monitoring Concentration Limits for Fugitive Emissions	-	Not approved by regulators	Not exceeded
	Benzene	Fugitive emission	-	Boundary	ND (not detected)	Monitoring Concentration Limits	-	Not approved by regulators	Not exceeded
	Xylene	Fugitive emission	-	Boundary	ND (not detected)	-	-	Not approved by regulators	Not exceeded
	Particulate matter	Fugitive emission	-	Boundary	0.168-0.255-mg/m ³	-	-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	North of #1 plant, north of #2 plant	10.300-55.100 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry)	23.9000	Not approved by regulators	Not exceeded
	VOCs	Fugitive emission	-	Boundary	0.360-0.630-mg/m ³	-	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	3	North of #1 plant, north of #2 plant	0-46.600 mg/m ³	DB44/21-2001 Time Slot II Level II	3.9300	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	North of #1 plant, north of #2 plant	0-0.220 mg/m ³	-	0.0500	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	North of #1 plant, north of #2 plant	0-2.180 mg/m ³	-	0.2800	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	North of #1 plant, north of #2 plant	0.364-28.700mg/m ³	-	9.2400	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Dalian CIMC Logistics Equipment Co., Ltd. ("Dalian Logistics Equipment")	Total phosphorus	Indirect emission ~sewage collection pipes	1	South of the factory area	3.880 mg/L (average concentration)	Liaoning Province Integrated Wastewater Discharge Standard (DB21/1627-2008)	0.4770	Not approved by regulators	Not exceeded
	COD	Indirect emission ~sewage collection pipes	1	South of the factory area	225.500 mg/L (average concentration)		30.1390	Not approved by regulators	Not exceeded
	SS	Indirect emission ~sewage collection pipes	1	South of the factory area	74.750 mg/L (average concentration)		10.0390	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission ~sewage collection pipes	1	South of the factory area	0.440 mg/L (average concentration)		0.0670	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission ~sewage collection pipes	1	South of the factory area	7.010 mg/L (average concentration)	GB8978-1996 Integrated Wastewater Discharge Standard	0.9580	Not approved by regulators	Not exceeded
	PH	Indirect emission ~sewage collection pipes	1	South of the factory area	7.34 (dimensionless)		-	Not approved by regulators	Not exceeded
	Noise at boundary	Boundary	-	Boundary	55.0 dB(A)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-90)	-	-	Not exceeded
	M-xylene	Soil testing points	-	East and west comparable points of the factory area	ND (not detected)	GB36600-2018 Risk Control Standard for Soil Contamination of Development Land	-	Not approved by regulators	Not exceeded
	P-xylene	Soil testing points	-	East and west comparable points of the factory area	ND (not detected)		-	Not approved by regulators	Not exceeded
	Methylbenzene	Soil testing points	-	East and west comparable points of the factory area	ND (not detected)		-	Not approved by regulators	Not exceeded
	Benzene	Soil testing points	-	East and west comparable points of the factory area	0.010 mg/kg		-	Not approved by regulators	Not exceeded
	O-xylene	Soil testing points	-	East and west comparable points of the factory area	ND (not detected)		-	Not approved by regulators	Not exceeded
	Nitric oxide	Exhaust pipes		5	Outside the coating line	ND (not detected) (average concentration)	Emission Standard of Air Pollutants (GB16297)	0	Not approved by regulators

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
C&C Trucks Co., Ltd ("C&C Trucks")	Sulfur dioxide	Exhaust pipes	5	outside the coating line	ND (not detected) (average concentration)		0	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	Welding, sanding, outside the coating line	9.264 mg/m ³ (average concentration)		8.6900	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Exhaust pipes	4	Outside the coating line	20.725 mg/m ³ (average concentration)	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating	5.2700	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Outside the coating line	2.315 mg/m ³ (average concentration)	DB21 3160-019	0.7100	Not approved by regulators	Not exceeded
	Benzene	Organised emission	4	Outside the coating line	0.628 mg/m ³ (average concentration)		0.1500	Not approved by regulators	Not exceeded
	Benzene congeners	Organised emission	4	Outside the coating line	1.221 mg/m ³ (average concentration)		0.2800	Not approved by regulators	Not exceeded
	Total nickel	Sewage collection pipes	1	Gate 1 of the factory	0.750 mg/L	Integrated Wastewater Discharge Standard	0.0103	0.14328	Not exceeded
	Total zinc	Sewage collection pipes	1	Gate 1 of the factory	< 0.050 mg/L	GB8978-1996	0	0.17685	Not exceeded
	Phosphate	Sewage collection pipes	1	Gate 1 of the factory	0.051 mg/L		0.1338	0.2829	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Gate 1 of the factory	16.800 mg/L		0.2515	1.71165	Not exceeded
	CODcr	Sewage collection pipes	1	Gate 1 of the factory	140.000 mg/L		2.9813	25.0350	Not exceeded
	VOCs	Organised emission	4	Frame workshop/body painting workshop	5.780 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	4.2031	148.0900	Not exceeded
	Ringelman emittance	Organised emission	2	Kinetic energy workshop/frame workshop	< Level 1		-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	Kinetic energy workshop/frame workshop	< 20 mg/m ³		0.8200	Not approved by regulators	Not exceeded
Sulfur dioxide	Organised emission	5	Kinetic energy workshop	< 3 mg/m ³ Concentration lower than the limit		0	Not approved by regulators	Not exceeded	
NOx	Organised emission	5	Frame workshop/body painting workshop	54.000 mg/m ³		1.7560	Not approved by regulators	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission (tonnes/year)	Approved total emission (tonnes/year)	Excessive emission
Yantai CIMC Raffles Offshore Engineering Co., Ltd. ("Yantai Raffles")	Particulate matter	Organised emission	8	Pre-treatment workshop/coating workshop	1.700-7.300 mg/m ³	Shandong Provincial Standard – Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	1.4700	Not approved by regulators	Not exceeded
	Xylene	Organised	3	Pre-treatment workshop/coating workshop	< 0.002 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37/2801.5-2018)	-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised	3	Pre-treatment workshop/coating workshop	< 0.002 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene	Organised	3	Pre-treatment workshop/coating workshop	< 0.002 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs	Organised	3	Pre-treatment workshop/coating workshop	2.120-4.200 mg/m ³		0.4260	Not approved by regulators	Not exceeded
Haiyang CIMC Raffles Offshore Ltd. ("Haiyang Raffles")	Particulate matter	Exhaust pipes	4	Pre-treatment workshop, coating workshop	3.800 mg/m ³	DB37/2376-2019 Regional and Integrated Emission Standard of Air Pollutants Table 1	0.2820	Not approved by regulators	Not exceeded
	VOCs	Exhaust pipes	3	Pre-treatment workshop, coating workshop	2.540 mg/m ³	DB37/2801.5-2018 Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry Table 2	0.1016	Not approved by regulators	Not exceeded
	Xylene	Exhaust pipes	3	Pre-treatment workshop, coating workshop	< 0.002 mg/m ³		0	Not approved by regulators	Not exceeded
	Methylbenzene	Exhaust pipes	3	Pre-treatment workshop, coating workshop	< 0.002 mg/m ³		0	Not approved by regulators	Not exceeded
	Benzene	Exhaust pipes	3	Pre-treatment workshop, coating workshop	< 0.002 mg/m ³		0	Not approved by regulators	Not exceeded

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Construction and operation of pollution prevention and control facilities

Yangzhou Tonglee Reefer Container Co., Ltd. Industrial sewage:

- (1) There is no external emission of industrial wastewater;
- (2) Domestic sewage is filtered through one oil separator and six septic tanks respectively, and then centralized into municipal sewage treatment plant through the outlet of domestic wastewater. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of VOCs zeolite runner + catalytic oxidation facility for coating treatment, with a treatment capacity of 300,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (2) The total assembly 1# wire welding fume is discharged after treated by the fixed welding fume dedusting device; other welding fumes are discharged after treated by 28 mobile welding fume dedusting devices.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Yangzhou Runyang Logistic Equipment Co., Ltd.

Industrial sewage:

- (1) The wastewater treatment systems are upgraded in accordance with the requirements of "clean water and sewage diversion, rainwater and sewage diversion, separate collection, and quality-based treatment". The watertight test wastewater is recycled after sedimentation and filtration with no external emission. The remaining industrial wastewater is reused after being treated by the sewage treatment station in the plant with no external emission;
- (2) After the wastewater is pretreated by the septic tank, the canteen wastewater is pretreated by the grease trap and then connected to the municipal sewage pipe network and sent to the Liuwei Wastewater Treatment Plant of Yangzhou for centralized treatment.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) The blasting gas generated by the steel plate pretreatment line is collected by the pipeline under negative pressure, and then discharged through the exhaust pipes after being processed by the "multiple cyclone dust removal + filter dust removal + water curtain dust collector" device;
- (2) The welding gas of the standard container line and the special container A line is collected by the collecting hood and then discharged through the exhaust pipes after being processed by the "filter cartridge filter" or "plate soldering dust remover" device;
- (3) After collecting the waste gas from the second sanding of the standard container line, the special container A line and the special container B line by the negative pressure of the pipeline, the exhaust gas is centralized discharged through the exhaust pipes after being processed by the "filter element dust removal + water filter dust removal system" or "filter barrel filter" equipped with the equipment;
- (4) The light-tight exhaust gas of the standard container line is collected by the negative pressure, and then discharged through the exhaust pipes after being treated by the "filter dust collector";
- (5) Organic exhaust gas and particulate matter of paint mist sprayed on pretreatment line and special container B line (oily paint), after being collected by negative pressure, were centralized discharged through exhaust pipes after being treated by "primary and intermediate filtration + activated carbon adsorption and desorption + catalytic combustion device";
- (6) Organic exhaust gas and particulate matter of paint mist sprayed on standard container line, special container A line coating line (water-based paint), after being collected by negative pressure, were centralized discharged through exhaust pipes after being treated by "primary medium effect filtration + activated carbon adsorption" and "water curtain/water rotation + preliminary medium effect filtration + activated carbon adsorption";
- (7) The biochemical treatment waste gas from the sewage treatment station is collected by the negative pressure, and centralized discharged through exhaust pipes after being treated by the "activated carbon adsorption device";
- (8) The waste gas from storage and paint residue drying in hazardous waste depot is collected by negative pressure and centralized discharged through exhaust pipes after being treated by "activated carbon adsorption device".

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste : the paint residue is reduced by about 1/3 weight after being dried by the drying equipment; and commissions qualified third party institutions for transportation and treatment of all hazardous waste. Currently, the facilities are in normal operation.

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Shenzhen Southern CIMC Eastern Logistics
Equipment Manufacturing Co., Ltd.

Industrial sewage:

The company has established industrial wastewater treatment facility (1 set) with a designed capacity of 450t/d, and industrial wastewater is recycled after treatment in compliance with standards, with no external emission.

Currently, the plant has been discontinued, and the said facilities have ceased operation.

Industrial exhaust:

- (1) Pre-treatment VOCs facilities (3 sets): activated carbon adsorption/desorption + water spray + UV photolysis, with a treatment capacity of 36,000 m³/h, 24,000 m³/h and 32,000 m³/h respectively;
- (2) Coating line primer VOCs facilities (1 set): activated carbon adsorption/desorption + water spray + UV photolysis, with a treatment capacity of 172,000 m³/h;
- (3) Coating line intermediary paint, interior paint, exterior paint, black paint and oasthouse VOCs facilities (1 set for each): activated carbon adsorption/desorption + UV photolysis, with a treatment capacity of 122,000 m³/h, 72,000 m³/h, 182,000 m³/h, 50,000 m³/h and 15,000 m³/h respectively.

The said types of industrial waste gas are emitted through the 15m-high exhaust pipes after treatment in compliance with standards. Currently, the plant has been discontinued, and the said facilities have ceased operation.

Hazardous waste:

The company establishes 2 dedicated hazardous waste warehouses and commissions qualified third party institutions for transportation and treatment. Currently, the plant has been discontinued, and such facilities store the hazardous waste properly and gradually treat such waste in compliance with regulations.

Dongguan Southern CIMC Logistic
Equipment Manufacturing Co., Ltd.

Industrial sewage:

Industrial wastewater treatment facility (1 set) with a designed capacity of 200t/d, and industrial wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) The first phase of organic waste gas facilities (4 sets), of which the primer paint adopts filter cotton + runner adsorption + RTO, with a treatment capacity of 200,000 m³/h; the exterior paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 250,000 m³/h; intermediary paint/interior paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 200,000 m³/h; black paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 100,000 m³/h;

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- (2) The first phase of sanding dust exhaust gas facilities (4 sets): cyclone + filter element (cylinder), with a treatment capacity of 364,000 m³/h;
 - (3) The first phase of welding fume exhaust gas facilities (4 sets): electrostatic dust removal, with a treatment capacity of 244,000 m³/h;
 - (4) The first phase of industrial wastewater odor treatment facilities (1 set): water spray + UV photolysis, with a treatment capacity of 15,000 m³/h;
 - (5) The components and parts processing organic waste gas treatment facilities (2 sets): filter cotton + runner adsorption + RTO, with a treatment capacity of 220,000 m³/h;
 - (6) The components and parts sanding dust exhaust gas treatment facilities (3 sets): cyclone + filter element (cylinder), with a treatment capacity of 375,000m³/h.

The said types of industrial waste gas are emitted through the 15m-high exhaust pipes after treatment in compliance with standards. Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 dedicated hazardous waste warehouse and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Qingdao CIMC Special Reefer Co., Ltd.

Industrial sewage:

Coating and painting wastewater treatment facilities (1 set) with a capacity of 50t/d; wastewater is reused after the treatment in compliance with standards, and the wastewater treatment will be commissioned to third parties in the later stage. The wastewater is not discharged to the external environment. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (2) 1 set of panel spray painting VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (3) 1 set of primer spray painting VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (4) 1 set of intermediate spray-painting VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
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- (5) 1 set of top spray-painting VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (6) 1 set of drying waste gas VOCs direct CO catalytic combustion facilities, with a treatment capacity of 6,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (7) 1 set of small parts glue spray VOCs activated carbon adsorption + RCO facilities, with treatment capacity of 20,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (8) 1 set of asphalt paint VOCs activated carbon adsorption + UV photolysis facilities, with treatment capacity of 20,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (9) 3 sets of filter bags dust-removing facilities with a treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (10) 1 set of filter bags dust-removing facilities in container sanding with a treatment capacity of 80,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (11) 1 set of filter bags dust-removing facilities in container sandblasting with a treatment capacity of 50,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (12) 4 sets of filter bags dust-removing facilities in container zinc blasting with a treatment capacity of 50,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (13) 2 sets of filter bags dust-removing facilities for welding dust removal, with a treatment capacity of 38,900 m³/h and 57,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Qingdao CIMC Reefer Container
Manufacture Co., Ltd.

Industrial sewage:

Coating and painting wastewater treatment facilities (1 set) with a treatment capacity of 50t/d; wastewater is reused after the treatment in compliance with standards, and the wastewater treatment will be commissioned to third parties in the later stage. The wastewater is not discharged to the external environment. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
- (2) 1 set of glue spray VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 80,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (3) 1 set of chassis, T floor spray binder VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (4) 1 set of painting VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 120,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (5) 1 set of intermediary painting VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 120,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (6) 1 set of container spray mark VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 70,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (7) 1 set of asphalt paint VOCs activated carbon adsorption + UV photolysis facilities, with treatment capacity of 20,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (8) 1 set of door panel binder VOCs activated carbon adsorption + RCO facilities with a treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (9) 4 sets of filter bags dust-removing facilities with a treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
- (10) 3 sets of filter bags dust-removing facilities in container sandblasting with a treatment capacity of 80,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- (11) 1 set of filter bags dust-removing facilities in container sandblasting with a treatment capacity of 50,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;

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- (12) 4 sets of filter bags dust-removing facilities in container zinc blasting with a treatment capacity of 55,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (13) 2 sets of filter bags dust-removing facilities in chassis welding with a treatment capacity of 30,000 m³/h and 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (14) 1 set of filter bags dust-removing facility in door panel sandblasting with a treatment capacity of 12,000m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Industrial sewage:

- (1) Domestic sewage is treated by the sewage treatment station of CIMC Park;
- (2) Industrial wastewater is recycled after treatment with no external emission.

Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of pre-treatment organic waste gas dry (wet) painting mist removal + zeolite runner adsorption + catalytic oxidation facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
 - (2) 1 set of C-line organic waste gas spray + dry filter cotton + activated carbon adsorption facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
 - (3) 4 sets of B-line organic waste gas + spray tower + filter cotton filtration + multiphase catalytic oxidation, with a treatment capacity of 710,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
 - (4) 13 sets of sanding dust (particulate matter) control facilities: bag dust collectors + water spray, with a treatment capacity of 597,987 m³/h, emission through exhaust pipes after treatment in compliance with standards;
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- (5) Welding fume treatment facilities (12 sets), with a treatment capacity of 339,390 m³/h. The dust collecting hood is used to cover the concentrated area of the welding. The natural lifting force of the high-heat soot and the negative suction of the fan are used to control the welding fumes in the coverage area for centralized collection. The collected soot is treated by a plate filter and emitted after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Xinhui CIMC Container Co., Ltd.

Industrial sewage:

- (1) 1 set of industrial sewage treatment facilities with a treatment capacity of 1,200 t/d; wastewater is recycled after the treatment, with no external emission;
- (2) 1 set of domestic sewage treatment facilities with a treatment capacity of 4,500 t/d (1,300 t/d of domestic sewage and 3,200 t/d of initial rainwater), which will be discharged into the inner river in the northwest of the factory area after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) The VOCs exhaust gas is passed through water spray + dry filter cotton + activated carbon adsorption facilities (4 sets), with a treatment capacity of 320,800 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (2) Sanding dust control facilities (2 sets): bag dust collectors + water spray, with a treatment capacity of 139,200 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (3) Boiler flue gas treatment facilities (1 set): cyclone dust collectors + bag dust collectors, with a treatment capacity of 36,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (4) 14 sets of welding fume treatment facilities with a treatment capacity of 380,582 m³/h. The dust collecting hood is used to cover the concentrated area of the welding. The natural lifting force of the high-heat soot and the negative suction of the fan are used to control the welding fumes in the coverage area for centralized collection. The collected soot is treated by a plate filter and emitted through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

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Qingdao CIMC Container Manufacture Co., Ltd.	Hazardous waste:
	The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.
	Industrial sewage:
	1 set of industrial sewage treatment facilities, with a treatment capacity of 120t/d. Most of the wastewater is reused after the treatment, and a small part of the wastewater is discharged through the sewage collection pipes after treatment in compliance with standards. Currently, the facilities are in normal operation.
	Industrial exhaust:
	(1) 1 set of pre-treatment painting VOCs "RTO" facilities, with a treatment capacity of 35,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;
	(2) 3 sets of container painting line VOCs "activated carbon adsorption/desorption + catalytic combustion", with a treatment capacity of 120,000 m ³ /h (1 set), 140,000 m ³ /h (2 sets), emission through exhaust pipes after treatment in compliance with standards;
	(3) 1 set of container painting line VOCs "molecular sieve adsorption/desorption + catalytic combustion", with a treatment capacity of 140,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;
	(4) 1 set of container painting line VOCs "activated carbon adsorption/desorption + catalytic combustion", with a treatment capacity of 120,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;
	(5) 4 sets of pre-treatment sanding line particulate matter emission "cyclone filter barrel dust collector + water curtain dust collector" facilities, with a treatment capacity of 30,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;
	(6) 2 sets of pre-treatment sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with a treatment capacity of 30,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;
	(7) 4 sets of container sanding line particulate matter emission "cyclone filter barrel dust collector + water curtain dust collector" facilities, with a treatment capacity of 30,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;
	(8) 1 set of container sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with a treatment capacity of 30,000 m ³ /h, emission through exhaust pipes after treatment in compliance with standards;

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- (9) 1 set of special container sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with a treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Zhangzhou CIMC Container Co., Ltd.

Industrial sewage:

1 set of coating line wastewater treatment facilities, with a treatment capacity of 20t/d. Wastewater is reused after the treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 4 sets of pre-treatment first sanding line particulate matter "cyclone filter barrel dust collector" facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (2) 3 sets of pre-treatment painting line VOCs "photolysis + activated carbon adsorption" facilities, with a treatment capacity of 15,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- (3) 3 sets of container second sanding line particulate matter "cyclone filter barrel dust collector" facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (4) 3 sets of container painting line VOCs "Venturi spray tower" facilities, with a treatment capacity of 55,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- (5) 1 set of special container second sanding line particulate matter "cyclone filter barrel dust collector" facilities, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- (6) 1 set of special container painting line VOCs "Venturi spray tower + activated carbon adsorption" facilities, with a treatment capacity of 25,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

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Tianjin CIMC Containers Co., Ltd.	Hazardous waste:
	The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.
	Industrial sewage:
	<ol style="list-style-type: none"> (1) Industrial sewage treatment facility (1 set) with a treatment capacity of 100t/d; wastewater is recycled after the treatment in compliance with standards, with no external emission; (2) Domestic sewage treatment facility (1 set) with a treatment capacity of 450t/d; part of the wastewater is recycled after treatment in compliance with standards, and the remaining is discharged to sewage treatment plant.
	Currently, the facilities are in normal operation.
	Industrial exhaust:
	<ol style="list-style-type: none"> (1) Thick plate pre-treatment line VOCs control facility (1 set): "zeolite runner adsorption concentration + RTO" facility, with a treatment capacity of 54,000 m³/h, emission through exhaust pipes after treatment in compliance with standards; (2) Thin plate pre-treatment line VOCs control facility (1 set): "activated carbon adsorption and desorption + catalytic combustion" facility, with a treatment capacity of 22,000 m³/h, emission through exhaust pipes after treatment in compliance with standards; (3) Painting line VOCs control facilities (3 sets): "water scrubber +activated carbon adsorption and desorption + catalytic combustion" facilities, with a treatment capacity of 420,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
	Currently, the facilities are in normal operation.
	Hazardous waste:
	The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Ningbo CIMC Logistics Equipment Co., Ltd.

Industrial sewage:

Industrial wastewater treatment facility (1 set) with a treatment capacity of 200 t/d; industrial wastewater complied with standards after treatment will be reused with an upper limit of 50%, the remaining will be discharged and incorporated into the sewage collection pipes. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) Coating line water spray organic waste gas treatment facilities (7 sets), with a treatment capacity of 675,000 m³/h;
- (2) Pre-treatment sanding dust-removing filters (9 sets), with a treatment capacity of 270,000 m³/h;
- (3) Full container sanding dust-removing filters (8 sets), with a treatment capacity of 160,000 m³/h;
- (4) Welding fumes dust-removing filters (34 sets), with a treatment capacity of 720,000 m³/h;
- (5) Zeolite runner + RTO facility (1 set), with a treatment capacity of 60,000 m³/h;
- (6) Spray mark waste gas treatment facility (1 set), with a treatment capacity of 50,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Taicang CIMC Containers Co., Ltd.

Industrial sewage:

Painting wastewater treatment facility (1 set, shared by standard container and special container), with a treatment capacity of 80 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) Painting line water rotary spray + filter cotton + activated carbon adsorption device (3 sets), with a treatment capacity of 120,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- (2) Welding line filter dust removal facilities (4 sets); the total installed capacity is 15,000 m³/h, with the rear treatment capacity of 47,000 m³/h, the chassis treatment capacity of 31,000 m³/h, and the side panel treatment capacity of 21,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;

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- (3) Pre-treatment multi-tube cyclone + filter dust removal (1 set), with a treatment capacity of 40,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse (shared by standard container and special container) for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Nantong CIMC Special Transportation
Equipment Manufacture Co., Ltd.

Industrial sewage:

Wastewater treatment facility (1 set) with a treatment capacity of 600 t/d; the wastewater is discharged to the municipal sewage network after the treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of pre-treatment line VOCs facility with activated carbon adsorption + desorption+ solvent recovery, with a treatment capacity of 80,000 m³/h;
- (2) 1 set of Nante Line VOCs facility with zeolite runner +catalytic combustion + RTO combustion facilities, with a treatment capacity of 290,000 m³/h; 1 set of VOCs facility with zeolite molecular runner + catalytic combustion + RTO combustion, with a treatment capacity of 380,000 m³/h;
- (3) 1 set of Shunda Line VOCs facility with zeolite molecular runner + RTO combustion, with a treatment capacity of 330,000 m³/h;
- (4) 4 sets of particulate matter pre-treatment facilities with sanding dust-removing filter, with a total treatment capacity of 132,000 m³/h;
- (5) 2 sets of Nante Line particulate matter treatment facilities, with full container sanding dust-removing filter, with a total treatment capacity of 100,000 m³/h; 2 sets of facilities with welding dust-removing filter, with a treatment capacity of 170,000 m³/h;
- (6) 1 set of Shunda Line particulate matter treatment facility, with full container sanding dust-removing filter, with a treatment capacity of 80,000 m³/h; 1 set of facility with welding dust-removing filter, with a treatment capacity of 30,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Shanghai CIMC Baowell Industries Co. Ltd.

Industrial sewage:

Industrial wastewater treatment facilities (1 set) with a treatment capacity of 30 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation

Industrial exhaust:

- (1) Pre-treatment VOCs exhaust RTO facilities (1 set), with a treatment capacity of 36,000 m³/h, emission through 16.5m-height exhaust pipes after treatment in compliance with standards;
- (2) Zinc-rich paint VOCs zeolite runner + RTO facility (1 set), with a treatment capacity of 101,000 m³/h, emission through 20m-height exhaust pipes after treatment in compliance with standards;
- (3) Exterior paint VOC activated carbon adsorption + steam desorption + condensation recovery facility (1 set), with a treatment capacity of 100,000 m³/h, emission through 20m-height exhaust pipes after treatment in compliance with standards;
- (4) Intermediary and interior paint VOC activated carbon adsorption + steam desorption + condensation recovery facility (1 set), with a treatment capacity of 91,000 m³/h, emission through 20m-height exhaust pipes after treatment in compliance with standards;
- (5) Pre-treatment dust-removing filters (5 sets), with a treatment capacity of 149,000 m³/h, emission through three 15m-height exhaust pipes after treatment in compliance with standards;
- (6) Second-time sanding dust filters (4 sets), with a treatment capacity of 214,000 m³/h, emission through one 15m-height and one 16m-height exhaust pipes after treatment in compliance with standards;
- (7) Welding fumes dust-removing filters (9 sets), with a treatment capacity of 589,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Shanghai CIMC Yangshan Logistics
Equipments Co., Ltd.

Industrial sewage:

Industrial sewage treatment facility (1 set) with a treatment capacity of 100 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial sewage:

- (1) Waste gas treatment facilities (4 sets), spiral water painting mist removal treatment system + filtration + activated carbon adsorption + steam desorption + condensation recovery treatment, a total of 350,000 (Nm³/h), emission through 30m exhaust pipes after treatment in compliance with standards;
- (2) Pre-treatment dust control facility (5 sets): organised emission, 1 outlet (combined);
- (3) Second-time sanding dust control facility (3 sets): organised emission, 3 outlets.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

CIMC Taicang Refrigeration
Equipment Logistics Co., Ltd.

Industrial sewage:

The wastewater treatment facilities have been built, being 1 set of grid and sedimentation tank chlorinated salt used for flocculation and sedimentation treatment facilities, with a treatment capacity of 45 m³/d. The wastewater generated by the water mist spray device is recycled and reused after treatment, with no external emission. Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) Cyclone dust removal + bag dust collectors (15 sets), with a treatment capacity of 45,000 m³/h (2 sets), 50,000 m³/h (7 sets); 20,000 m³/h (2 sets) and 55,000 m³/h (4 sets), respectively;
- (2) Bag dust collectors (2 sets), with a treatment capacity of 20,000 m³/h;
- (3) Water curtain spray + filter cotton + bag dust collectors + secondary activated carbon adsorption (activated carbon supporting catalytic combustion device) (2 sets), with a treatment capacity of 40,000 m³/h (1 set) and 30,000 m³/h (1 set), respectively;
- (4) Bag dust collectors + paint mist filter + molecular sieve rotor concentration + endothermic catalytic combustion device (1 set), with a treatment capacity of 60,000 m³/h;

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- (5) Filter cotton + secondary activated carbon adsorption device (supporting activated carbon catalytic combustion regeneration device) (4 sets), with a treatment capacity of 50,000 m³/h (2 sets), 30,000 m³/h (1 set) and 16,000 m³/h (1 set), respectively, emission through 15m exhaust pipes after treatment in compliance with standards;
 - (6) Filter cotton+ cyclone tower + multi-layer filtration + zeolite runner + RTO device (1 set), with a treatment capacity of 120,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Taicang CIMC Special Logistics
Equipment Co. Ltd.

Industrial sewage:

1 set of painting wastewater treatment facility (shared by standard container and special container), with a treatment capacity of 80 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) The coating line has 4 sets of water rotary spray + filter cotton + activated carbon adsorption devices; the capacity of primer paint pre-painting room and spraying room is 70,000 m³/h; the capacity of intermediary paint pre-painted room and spraying room is 115,000 m³/h; the capacity of exterior paint prepainting room and drying room is 61,000 m³/h; the capacity of exterior paint spraying room and dividing line room is 90,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- (2) 3 sets of filter dust removal for the welding line, 1# dust collector capacity: 22,000 m³/h; 2# dust collector capacity: 16,000 m³/h; 3# dust collector capacity: 35,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- (3) 3 sets of multi-tube cyclone + filter dust removal for pre-treatment, with a treatment capacity of 40,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- (4) 1 set of water curtain + filter cotton + molecular sieve + RTO for pre-treatment, with a treatment capacity of 60,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

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Hazardous waste:

The company establishes the dedicated hazardous waste warehouse (shared by standard container and special container) for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Zhumadian CIMC Huajun Casting Co. Ltd.

Industrial sewage:

- (1) Industrial wastewater is recycled, with no external emission.
- (2) Domestic wastewater is discharged to Zhumadian Second Wastewater Treatment Plant after the treatment of sedimentation tank for further treatment.

Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of wastewater treatment facility, with a designed capacity of 300 m³/d, industrial wastewater is recycled, with no external emission;
- (2) 2 sets of "pulse + bag dust collecting" waste gas treatment facilities in the shot blasting area, with a designed capacity of 45,800 m³/h each, adopting the bag dust collecting process;
- (3) 2 sets of waste gas treatment devices in the painting area, with a designed capacity of 20,000 m³/h each, adopting the activated carbon adsorption process;

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 hazardous waste warehouse, which adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Dongguan CIMC Special Vehicle Co., Ltd.

Industrial sewage:

- (1) The phosphating wastewater treatment system and the non-phosphorus wastewater treatment system are separately set for different characteristics of the coating workshop wastewater: 1. Phosphating wastewater treatment system, with the maximum capacity of 3.5 m³/h, adopts physical and chemical precipitation + ultrafiltration + RO reverse osmosis + DTRO + evaporation concentration process. After the treatment reaches the reuse water standard, the reclaimed water is reused to the phosphating process, while the concentrated wastewater is entrusted to external agencies for environmentally friendly and harmless treatment, thus realizing zero discharge of heavy metals; 2. Non-phosphorus wastewater treatment system, with the maximum capacity of 11.5 m³/h, adopts physical and chemical precipitation + biochemical process + ultrafiltration + RO reverse osmosis + sand filtration process. The treated reclaimed water which reaches the reuse standard is reused to the processes of pure water preparation, degreasing and washing. The concentrated water produced is further treated and discharged after reaching the level 4 standard of surface water.
- (2) Domestic sewage : the canteen wastewater is treated by oil and residue removal process; the toilet wastewater is treated by Level III septic tank; other domestic sewage is treated by residue removal process. After such treatment, other domestic sewage is discharged to the municipal network after residue removal treatment when meeting the Time Slot II Level III Standard set out in the Discharge Limits of Water Pollutants DB44/26-2001.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of laser cutting flue gas collection and treatment facilities, with a total treatment capacity of 18,000 m³/h;
- (2) 6 sets of robotic welding fume collection and treatment facilities, with a total treatment capacity of 217,000 m³/h;
- (3) 1 set of sanding dust removal system, with a total treatment capacity of 73,000 m³/h;
- (4) 1 set of electrophoresis tank organic waste gas filtering device, with a total treatment capacity of 36,500 m³/h;
- (5) 1 set of electrophoresis drying room exhaust gas catalytic combustion treatment device, with a total treatment capacity of 6,900 m³/h.

Currently, all the said facilities are in normal operation.

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Hazardous waste:

The company has built 1 dedicated hazardous waste temporary storeroom, with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Zhumadian CIMC Huajun Vehicle Co., Ltd.

Industrial sewage:

- (1) Industrial wastewater : 1 set of phosphorus-containing inorganic wastewater treatment system, adopting reactive precipitation + TMF + RO + flocculation reaction + secondary biochemical treatment. The treated water is returned to the phosphating washing tank, and the treatment capacity is 4.5 m³/h; 1 set of non-phosphorus organic wastewater treatment system, adopting reactive precipitation + flotation + biochemical treatment + MBR + RO + flocculation reaction + secondary biochemical treatment. Part of the treated water is returned to the phosphating washing tank; a small part of the treated water is discharged to the wastewater treatment plant through the municipal network; the treatment capacity is 9 m³/h;
- (2) Domestic wastewater : domestic sewage is discharged to the municipal network after treated by the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of plasma gas cutting dust collection and treatment facilities, each with a treatment capacity of 6,000 m³/h; 10 sets of robotic welding fume collection and treatment facilities, each with treatment capacity of 5,000 m³/h; 1 set of frame line welding fume collection and treatment facilities, with a treatment capacity of 8,000 m³/h; 1 set of lifting welding robot welding fume collection and treatment facilities, with capacity of 8,000 m³/h; 2 sets of carving and trimming line robot welding fume collection and treatment facilities, each with a treatment capacity of 10,000 m³/h; adopting the filter cartridge dust removal process;
- (2) 8 sets of sanding dust collection and treatment facilities, each with a treatment capacity of 80,000 m³/h, adopting the bag dust collecting process;
- (3) 1 set of electrophoresis tank organic waste gas collection and treatment facilities, with a treatment capacity of 35,000 m³/h, adopting the activated carbon adsorption process;
- (4) 1 set of electro-drying organic waste gas catalytic combustion treatment facility, with a treatment capacity of 10,000 m³/h, adopting the catalytic combustion process;
- (5) 1 set of powder coating waste gas collection and treatment facilities, with a treatment capacity of 30,000 m³/h, adopting the UV photo-oxidation + activated carbon adsorption process;

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- (6) 7 sets of manual painting waste gas catalytic combustion facilities, each with a treatment capacity of 170,000 m³/h, adopting the activated carbon adsorption + catalytic combustion desorption process;
 - (7) 4 sets of manual painting washing + activated carbon adsorption treatment facilities, each with a treatment capacity of 150,000 m³/h, adopting the washing + activated carbon adsorption process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds 2 hazardous waste warehouses, with a closed and wind, rain and sun-proof space. The warehouse is managed under the dual administrator and lock system; the floor has been hardened and treated to prevent any infiltration; cofferdams are established to avoid any leakage. The warehouse sets waste liquid collection measures in place; hazardous waste is stored properly in intact packaging and by category. Currently, the facilities are in normal operation.

Yangzhou CIMC Tong Hua Special
Vehicles Co., Ltd.

Industrial sewage:

- (1) Industrial wastewater : 2 sets of treatment facilities, among which, 1 set of electrophoresis sewage treatment facilities, with the maximum capacity of treating wastewater with phosphorus and heavy metal being 4.5 m³/h and the maximum capacity of treating wastewater without phosphorus and heavy metal being 8 m³/h. Wastewater with phosphorus and heavy metal is pre-treated by secondary coagulation-sedimentation; wastewater without phosphorus and heavy metal is pretreated by coagulation-sedimentation + flotation. Pre-treated industrial wastewater and domestic sewage is discharged to the municipal network after the anaerobic process + aerobic process + membrane bioreactor (MBR) treatment in compliance with pipe incorporation standards. The other one is a set of coating waste water treatment system, with a designed capacity of 2 m³/h. Wastewater is recycled to the painting room after treated with solvent and discharged regularly after the treatment in compliance with standards.
- (2) Domestic wastewater : domestic sewage is discharged to the municipal network after treated by the septic tank.

Currently, all the said facilities are in normal operation

Industrial exhaust:

- (1) 2 sets of sanding waste gas dust removal facilities, with a designed capacity of 210,000 m³/h;
 - (2) 4 sets of sanding waste gas dust removal facilities, with cyclone dust removal + filter barrel dust removal process; the air speed at the inlet of cyclone dust collector is 18–22 m/s; the air speed of filter barrel dust collector is 0.85 m/min; the filtration precision is 5–10 μm;
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- (3) 1 set of painting waste gas activated carbon adsorption + catalytic combustion facility, adopting the activated carbon adsorption + catalytic combustion process, with a designed air treatment volume of 120,000 m³/h;
 - (4) 32 sets of dust removal devices for welding waste gas treatment, adopting the mobile welding dust removal device to treat welding and polishing;
 - (5) 2 sets of canteen fume purification devices, adopting the fume purification device to treat the canteen fume;
 - (6) 1 set of phosphorus waste gas purification device, adopting the waste gas washing tower, with an air treatment volume of 25,000 m³/h, filtration speed of 1.8-2 m/s and efficiency of 95%;
 - (7) 1 set of electro-coating waste gas purification device, emitting the waste gas collected by the suction hood after the treatment of waste gas washing tower, with an air treatment volume of 25,000 m³/h, filtration speed of 1.8-2 m/s and efficiency of 90%;
 - (8) 1 set of electro-drying waste gas catalytic combustion device, adopting the catalytic combustion process, with a designed air treatment volume of 4,000N m³/h;
 - (9) 1 set of powder solidification waste gas filter cotton + activated carbon adsorption device, adopting the filter cotton + activated carbon adsorption process, with the filtration area of the filter cotton filtration system being 4.4 m² and the thickness of 50 mm, the filtration area of activated carbon adsorption being 204.4 m² and the filter layer of 200 mm.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 4 hazardous waste temporary store room in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

CIMC -SHAC (Xi'An) Special Vehicle Co., Ltd. Industrial sewage:

- (1) Industrial wastewater : 1 set of industrial sewage treatment facility, adopting the microelectrolysis + flotation + precipitation reverse osmosis + adsorption filtration process. The maximum treatment capacity is 60 t/d; the wastewater to be adopted by painted items of the painting line will be reused after the treatment, with no external emission;
 - (2) Domestic wastewater, 1 set of domestic sewage treatment facility, adopting the A/O+MBR integrated treatment. The maximum treatment capacity is 200 t/d; domestic wastewater is discharged to the municipal wastewater treatment plant after initial treatment.
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Industrial exhaust:

- (1) 4 sets of machine waste gas deep treatment facilities, adopting the dry paint mist filter + activated carbon adsorption concentration + hot air desorption catalytic combustion process, each with a designed treatment air volume of 100,000 m³/h;
- (2) 1 set of welding dust removal facility in the front and rear panel, with a designed treatment air volume of 24,000 m³/h, adopting the filter cartridge dust removal process;
- (3) 1 set of sanding dust removal facility, with a designed treatment air volume of 20,000 m³/h;
- (4) 1 set of spares welding dust removal facilities, with a designed treatment air volume of 7,680 m³/h;
- (5) 1 set of welding dust removal facility in structure section, with a designed treatment air volume of 220,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds a hazardous waste warehouse, with the floor hardened and treated to prevent infiltration and setting oil drip pan on the floor. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels.

Wuhu CIMC Ruijiang
Automobile Co., Ltd.

Industrial sewage:

- (1) 1 set of acid washing wastewater treatment facilities, with the capacity of 33 t/d, adopting the "adjusting + neutralization + reaction + high-efficiency sedimentation" process. After the treatment, the reclaimed water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8678-1996) and is discharged to Chengnan Wastewater Treatment Plant through the municipal network;
- (2) 1 wastewater pretreatment station, with the capacity of 100 m³/d, adopting the "reaction + high-efficiency sedimentation + flotation + hydrolyze acidification + contact oxidation + precipitation" process. After the treatment, the water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the integrated wastewater treatment station of the plant;
- (3) 1 integrated wastewater treatment station, with capacity of 300 t/d. The industrial wastewater is treated by "microelectrolysis + flotation", and then, together with domestic wastewater, treated by "anaerobic process + aerobic process + sedimentation + adsorptive precipitation". After the treatment, the water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to Chengnan Wastewater Treatment Plant through the municipal network.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) 6 sets of VOCs treatment facilities, 3 sets with a designed capacity of 100,000 m³/h, 2 sets with a designed capacity of 80,000 m³/h, 1 set with a designed capacity of 40,000 m³/h, adopting the "spray + UV photocatalytic + activated carbon adsorption" process;
- (2) 1 set of powder solidification waste gas treatment facilities, with a designed capacity of 5,000 m³/h, adopting the "activated carbon adsorption" process;
- (3) 10 sets of stationary welding fume treatment facilities, with a designed capacity of 4,500 m³/h, adopting the "filter cartridge dust removal" process;
- (4) 1 set of acid washing waste gas treatment facilities, with a designed capacity of 3,500 m³/h, adopting the "alkaline absorption" process;
- (5) 1 set of sandblasting waste gas treatment facilities, with capacity of 1,638 m³/h, adopting the "filter cartridge dust removal" process.
- (6) There are 20 sets of mobile welding fume purifiers with a total design capacity of 48,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd.

Industrial sewage:

- (1) 1 set of painting wastewater treatment system, with the capacity of 4 m³/h; after treated by "flotation + Fenton reagent flocculation precipitation + sedimentation + filtration process", the wastewater is charged to the domestic sewage treatment station of the plant;
- (2) 1 set of domestic sewage treatment system, with the capacity of 4 m³/h, adopting the "hydrolyze acidification + SBR + contact oxidization + sand filtration + disinfection process". After the treatment, the wastewater meets Grade-A standard set out in the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB 18918-2002) and the quality standard for water used in greening work contained in the Reuse of Urban Recycling Water - Water Quality for Urban Miscellaneous Water Consumption (GB/T18920-2002), and is all used in the greening and road water spraying in the plant, with no external emission.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of shot blasting machine fume collection and treatment facilities, each with a designed capacity of 5,000 m³/h, adopting the filter cartridge dust removal process;
- (2) 86 sets of welding machine fume collection and treatment facilities, with a designed capacity of 1,000 m³/h, adopting the filter cartridge dust removal process;
- (3) 2 sets of painting waste gas collection and treatment facilities, with total designed capacity of 220,000 m³/h, adopting the activated carbon adsorption and desorption + catalytic combustion process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Shenzhen CIMC Special Vehicle Co., Ltd.

Industrial sewage:

- (1) 1 set of wastewater silane pre-treatment system, with the capacity of 4 m³/h, adopting the integrated treatment facilities of "sedimentation + flotation + A/O biochemical process + RO filtration + evaporation". After the treatment, the reclaimed water is reused when meeting the limit set out in Standard III of Environmental Quality Standard for Surface Water (GB3838-2002) or the limit set out in the washing water standard of the Reuse of Urban Recycling Water-Water Quality Standard for Industrial Uses (GBT19923-2005), which is stricter, to be used in the pre-treatment process of the coating workshop, with no external emission;
- (2) Domestic sewage is discharged to Shangyang Wastewater Treatment Plant through the municipal network after sedimentation through the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of welding fume treatment facilities, each with a designed capacity of 50,000 m³/h, adopting the electrostatic adsorption process;
- (2) 1 set of sanding dust collection and treatment facilities, with a designed capacity of 72,000 m³/h, adopting the cyclone + filter cartridge dust removal process;
- (3) 1 set of powder drying waste gas catalytic combustion facilities, with a designed capacity of 44,000 m³/h, adopting the activated carbon adsorption + catalytic combustion process;
- (4) 2 sets of powder drying waste gas adsorption facilities, each with a designed capacity of 9,000 m³/h.

Currently, the said facilities are in normal operation.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration, collection ditches and waste liquid collection tank established around and outside the warehouse to avoid any leakage. The warehouse adopts different storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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CIMC Vehicles (Shandong) Co., Ltd.

Industrial sewage:

- (1) Production wastewater: the industrial wastewater treatment station with a capacity of 2.08 m³/h, adopts the "electrooxidation + flotation + biochemical reaction + sedimentation + sand filtration" process. After the treatment, the wastewater that meet the reclaimed water standards will be reused in the water rotation process of the painting line, with no external discharge;
- (2) Domestic wastewater: the domestic sewage treatment station with a capacity of 2.5 m³/h, adopts the process of "combining the physical and biochemical procedures, with the biochemical as the primary force". After the treatment, the wastewater that meets the Grade-A standard of the Wastewater Quality Standard for Discharge to Municipal Sewers (GB/T31962-2015) is discharged to the municipal network, and ultimately treated deeply by Everbright Water (Zhangqiu) Operating Limited.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of catalytic combustion facilities, with a designed capacity of 60,000 m³/h and 80,000 m³/h respectively, adopting the activated carbon adsorption + catalytic combustion process;
- (2) 2 sets of UV photocatalytic purification facilities, with a designed capacity of 60,000 m³/h and 20,000 m³/h, adopting the UV photocatalytic purification process;
- (3) 2 sets of filter cartridge dust removal facilities, with a designed capacity of 10,000 m³/h and 1,500 m³/h, adopting the filter cartridge filtration process;
- (4) 2 sets of low-nitrogen combustion facilities, with the rated power of 0.7 MW and 1.4 MW, adopting the low-nitrogen combustion process;
- (5) 2 sets of drying waste gas treatment facilities, each with the rated power of 0.75 MW, adopting the direct combustion process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Qingdao CIMC Special Vehicle Co., Ltd.

Industrial sewage:

- (1) 1 set of painting wastewater treatment facilities, with the capacity of 40 t/d. After the flocculation precipitation, the wastewater is reused in the water rotation of the painting room, with no external emission;
- (2) Domestic sewage is discharged to the municipal network for centralized treatment after pre-treated by the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 2 sets of zeolite runner + catalytic oxidation facilities for the painting line, each with a designed capacity of 60,000 m³/h, adopting the zeolite runner + catalytic oxidation process, with the painting waste gas to be emitted after meeting relevant standards;
- (2) 3 sets of filter cartridge dust removal facilities for the painting line, each with a designed capacity of 20,000 m³/h, with the sanding, OK station, pretreatment particulate matter to be emitted when meeting the standards after the treatment of dust collector;
- (3) 47 sets of mobile fume collection facilities equipped to the welding workshop, each with a designed capacity of 4,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built the hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Qingdao CIMC Eco-Equipment Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of painting pre-treatment wastewater treatment facilities, with capacity of 40 t/d, adopting the wastewater tank – reaction tank – sedimentation tank – reverse neutralization – intermediary adjusting tank – biological aeration – deep precipitation – filtration intermediary tank – activated carbon filtration – sludge tank – pressure filter; the wastewater is discharged if it satisfies relevant requirements after treatment;
- (2) Domestic sewage is discharged to the municipal network after pre-treated by the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of painting waste gas activated carbon + catalytic combustion facilities, with a designed capacity of 100,000 m³/h, adopting the activated carbon adsorption + catalytic combustion process, painting waste gas to be emitted after the treatment in compliance with standards;
- (2) 1 set of painting workshop putty sanding waste gas treatment facilities, with a designed capacity of 30,000 m³/h, puttying waste gas to be emitted after treated by the filter cartridge dust collector in compliance with standards;
- (3) 1 set of waste gas alkaline absorption device, with a designed capacity of 10,000 m³/h;
- (4) 17 sets of mobile dust collection devices equipped to the welding workshop, each with designed capacity of 4,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built the hazardous waste temporary storeroom, with the floor of the hazardous waste storage area hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The storeroom adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Luoyang CIMC Lingyu Automobile Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of industrial wastewater treatment facilities, with capacity of 120 m³/d, adopting the "coagulation-sedimentation + hydrolyze acidification + biocontact oxidation" process. After the treatment, the wastewater meets the Class 3 standard in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the wastewater treatment station of the whole plant;
- (2) Domestic wastewater: 1 set of domestic sewage treatment facilities for the whole plant, with the capacity of 240 m³/d, adopting the "hydrolyze acidification + bio-contact oxidation" process. After the treatment, the wastewater meets the Class 3 standard in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the city's wastewater treatment plant for further treatment through the municipal network.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of painting, drying VOCs waste gas treatment facilities, with a designed capacity of 136,000 m³/h, 146,000 m³/h and 140,000 m³/h respectively, adopting the "activated carbon adsorption/desorption + catalytic combustion" process;
- (2) 2 sets of dust removal facilities for the manual sandblasting room, with a designed capacity of 22,206 m³/h and 30,000 m³/h, adopting the bag dust collecting process;
- (3) 1 set of polishing room dust removal facilities, with a designed capacity of 136,000 m³/h, adopting the filter cartridge dust removal process;
- (4) 3 sets of numerical-controlled cutting fume and dust removal facilities, with a designed capacity of 6,290 m³/h, adopting the filter cartridge dust removal process;
- (5) 4 sets of semi-trailer workshop welding fume and dust removal facilities, 1 set with a designed capacity of 6,290 m³/h, 3 sets with a designed capacity of 15,000 m³/h, adopting the filter cartridge dust removal process;
- (6) 8 sets of tank workshop welding fume and dust removal facilities, with a designed capacity of 15,000 m³/h, adopting the filter cartridge dust removal process;
- (7) 4 sets of mixing workshop welding fume and dust removal facilities, 2 sets with a designed capacity of 30,000 m³/h, 2 sets with a designed capacity of 24,000 m³/h, adopting the filter cartridge dust removal process;
- (8) 1 set of shot blasting dust removal facilities for the powder spraying lines, with a designed capacity of 90,000 m³/h, adopting the cyclone + filter cartridge dust removal process, which is in normal operation currently;

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- (9) 3 sets of powder spraying dust treatment facilities for the powder spraying lines, with a designed capacity of 32,000 m³/h, 32,000 m³/h and 24,000 m³/h, respectively, adopting the cyclone + filter cartridge dust removal process;
 - (10) 1 set of powder curing waste gas treatment facilities for the powder spraying lines, with a designed capacity of 3,000 m³/h, adopting the catalytic combustion process, which is in normal operation currently;
 - (11) 4 sets of laser cutting fume and dust removal facilities, of which 2 sets have a designed capacity of 2,500 m³/h, and the remaining 2 sets have a designed capacity of 3,500 m³/h, adopting the filter cartridge dust removal process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds 1 hazardous waste temporary storeroom, with the floor hardened and treated to prevent infiltration, different categories of hazardous waste stored in separate areas and classification labels in place. Currently, the facilities are in normal operation.

CIMC Vehicles (Liaoning) Co., Ltd.

Industrial sewage:

- (1) Production wastewater: Spraying wastewater was recycled and replenished regularly, with no external discharge;
- (2) Domestic sewage: After sedimentation in a septic tank, it was discharged into the municipal pipe network and then flowed into Yingkou Municipal Western Sewage Treatment Plant for treatment.

Industrial exhaust:

- (1) 3 sets of dust collectors for shot blasting machines. It was treated using the bag filters each with a designed capacity of 30,000 m³/h;
- (2) 2 sets of negative pressure air circulation systems each with a designed capacity of 100,000 m³/h, adopting the water curtain method;
- (3) 2 sets of VOCs treatment facilities each with a designed capacity of 20,000 m³/h, adopting the activated carbon adsorption + photo-oxygen catalytic oxidation process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The Company has a temporary storage room for hazardous wastes. It was constructed in accordance with the relevant requirements of the "Pollution Control Standards for Hazardous Waste Storage" (GB18597-2001), and its ground has completed the hardening and anti-seepage treatment processes. Hazardous wastes in warehouses were packed in bags with labels on site.

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Liangshan CIMC Dongyue Vehicle Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of spraying wastewater treatment facility, with the capacity of 9.6 m³/d; the spraying wastewater adopts the flotation + Fenton reagent flocculation reaction + sedimentation + filtration process, and is recycled and replenished on a regular basis, with no external emission;
- (2) Domestic wastewater: 1 set of domestic sewage treatment facilities, with capacity of 2.6 m³/d; domestic wastewater adopts the hydrolyze acidification + SBR + oxidization removal + sand filtration + disinfection process, is used in greening work, with no external emission.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of catalytic combustion facilities, with a designed capacity of 200,000 m³/h, adopting the "water rotation + filter cotton filtration + activated carbon adsorption + catalytic combustion" process. The waste gas is emitted after the treatment in compliance with standards. Currently, the facilities are in normal operation. Welding fume is treated using mobile fume purifiers.
- (2) 113 sets of mobile fume and dust purifiers each with a designed capacity of 3,000 m³/h;
- (3) 1 set of laser cutting fume collection and treatment facilities, with a designed capacity of 15,500 m³/h;
- (4) 2 sets of shot blasting and sanding dust collection and treatment facilities each with a designed capacity of 27,000 m³/h.

Currently, the facilities are in normal operation.

Hazardous waste:

The company has built the hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

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Zhangjiagang CIMC Sanctum Cryogenic
Equipment Machinery Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of wastewater acid washing treatment system, adopting the adjusting bank + Fenton + anaerobic process + aerobic process + sedimentation + RO + MVR process, with the capacity of 40 t/d. After the treatment, all wastewater meets the standard and is reused; 1 set of painting wastewater treatment system, adopting the collecting tank + flotation + anaerobic process + aerobic process + sedimentation tank process, with the capacity of 60 t/d. After the treatment, all wastewater is recycled and reused;
- (2) Domestic wastewater: all discharged to Jingang District Wastewater Treatment Plant through the municipal network.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of organic waste gas treatment facilities, adopting the activated carbon adsorption + desorption catalytic combustion, with the capacity being 200,000 m³/h, 50,000 m³/h and 150,000 m³/h respectively, emission through the exhaust pipes of 21m, 16m and 21m respectively after the treatment in compliance with standards;
- (2) 4 sets of sandblasting waste gas treatment facilities, all adopting the filter cartridge dust removal, with the capacity being 18,000 m³/h, 18,000 m³/h, 36,000 m³/h and 18,000 m³/h respectively, emission through the exhaust pipes of 16.5m, 16.5m, 21m and 21m respectively after the treatment in compliance with standards;

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds the dedicated hazardous waste warehouse, equipped with three prevention measures and video monitoring devices. The warehouse complies with the latest Su Huan Ban (2019) No. 327 document and meets the environmental protection requirements.

Currently, the said facilities are in normal operation.

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Shijiazhuang Enric Gas Equipment Co., Ltd.	<p>Industrial sewage:</p> <p>The main outlet of the plant is equipped with 1 sewage treatment station, which is in normal operation currently.</p> <p>Industrial exhaust:</p> <p>1 set of painting waste gas multi-layer filter cotton + secondary activated carbon adsorption facilities, with a designed capacity of 24,306 m³/h; 6 sets of activated carbon adsorption + desorption + catalytic combustion facilities (4 sets each with the capacity of 60,000 m³/h, 1 set with the capacity of 20,000 m³/h, 1 set with the capacity of 40,000 m³/h);</p> <p>2 sets of alkali spray towers for acid washing waste gas, each with a designed capacity of 5,000 m³/h;</p> <p>1 set of cyclone dust removal + filter cartridge dust removal facilities for interior shot blasting machine waste gas, with a designed capacity of 50,000 m³/h; 3 sets of cyclone dust removal + filter cartridge dust removal facilities for exterior shot blasting machine waste gas, each with a designed capacity of 5,000 m³/h; 6 sets of cyclone dust removal + filter cartridge dust removal facilities for sanding room waste gas, each with a designed capacity of 8,800 m³/h; 3 sets of cyclone dust removal + filter cartridge dust removal facilities for putty polishing room waste gas, each with a designed capacity of 5,000 m³/h; 2 sets of bag dust collector for numerical-controlled plasma cutting, each with the capacity of 2,384 m³/h.</p> <p>All the said facilities are in normal operation.</p> <p>Hazardous waste:</p> <p>The company has built a hazardous waste temporary storeroom. It is equipped with 1 set of VOCs treatment facilities with a processing capacity of 5,000 m³/h, and is in normal operation currently.</p>
Nantong CIMC Energy Equipment Co, Ltd.	<p>Industrial sewage:</p> <p>The wastewater treatment station of the company has the capacity of 300 t/d. Through residue removal, coagulation-sedimentation and biochemical treatment, the wastewater meets the discharge standard. Currently, the facilities are in normal operation.</p> <p>Industrial exhaust:</p> <ol style="list-style-type: none"> <li data-bbox="544 1673 1410 1867">(1) 2 sets of low-temperature workshop painting waste gas treatment facilities, 1 set with the "water curtain + spray + paint mist filtration + secondary activated carbon adsorption + catalytic combustion" process, with the capacity of 25,000 m³/h, emission through the 15m exhaust pipe after treatment in compliance with standards; another 1 set with the "water curtain + spray + paint mist filtration + secondary activated carbon adsorption" process, with the capacity of 30,000 m³/h, emission through the 15m exhaust pipe after treatment in compliance with standards; <li data-bbox="544 1905 1410 1996">(2) 1 set of low-temperature sandblasting waste gas treatment facilities, adopting the "cyclone + high-efficiency filter dust removal" process, with capacity of 33,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;

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- (3) 1 set of tank truck workshop painting waste gas treatment facilities, adopting the “water curtain + spray + paint mist filtration + secondary activated carbon adsorption” process, with capacity of 20,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- (4) 1 set of tank truck workshop sandblasting waste gas treatment facilities, adopting the “cyclone + high-efficiency filter dust removal” process, with capacity of 33,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- (5) 1 set of gas bottle production workshop cutting fume treatment facilities, adopting the “bag dust collecting” process, with capacity of 5,600 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- (6) 1 set of gas bottle production workshop winding solidification waste gas treatment facilities, adopting the “water spray + secondary activated carbon adsorption” process, with capacity of 20,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- (7) 1 set of gas bottle production workshop No.1 shot blasting waste gas treatment facilities, adopting the “cyclone + high-efficiency filter dust removal” process, with capacity of 12,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- (8) 1 set of alkaline spray tower for waste gas acid washing of heavy pressure vessel workshop, adopting the “alkaline spray absorption” process, with a designed capacity of 9,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Nantong CIMC Tank Equipment Co., Ltd.

Industrial sewage:

1 dedicated wastewater acid washing facilities (with capacity of 500 m³/D) adopting the “acid-alkali neutralization + flocculent precipitation” process, 1 set of painting wastewater treatment facilities (with capacity of 120 m³/D) adopting the biochemical process. Dedicated personnel are appointed to operate the system for 24 hours during the production period, and operators have obtained the qualifications granted by environmental departments of Nantong City. After being treated and meeting relevant standards, the wastewater is discharged to Donggang Wastewater Treatment Plant through the municipal network for further treatment; the discharge outlets are designed reasonably, and the online monitoring devices are installed. Currently, the facilities are in normal operation.

Industrial exhaust:

4 sets of the VOCs waste gas treatment facilities (2 sets with the capacity of 100,000 m³/h, 1 set with the capacity of 180,000 m³/h and 1 set with the capacity of 20,000 m³/h) adopt the water curtain absorption + dry filtration + activated carbon adsorption + on-line desorption + catalytic combustion treatment process. Discharge outlets are properly set up; the operation is smooth; maintenance is conducted on a regular basis. Currently the facilities are in normal operation.

Hazardous waste:

The company builds a dedicated hazardous waste storage place equipped with collection ditch and collection pool, and with measures to prevent rain wash, scattering and draining, and equipped with exhaust gas collection and treatment facilities and video surveillance. Hazardous waste identification labels are posted as required. Dedicated persons are appointed to manage the storage place. Currently, the facilities are in normal operation.

Nantong SinoPacific Offshore & Engineering Co., Ltd.

Industrial sewage:

1 set of wastewater treatment facilities, with capacity of 490 m³/d. After the treatment, the wastewater is discharged to the network of the plant. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) Coating workshop: 4 sets of VOCs dry filter + activated carbon adsorption + catalytic combustion facilities, with capacity being 70,000 m³/h, 70,000 m³/h, 140,000 m³/h and 140,000 m³/h respectively, emission through the exhaust pipes of 24m, 24m, 17m, and 17m respectively after the treatment in compliance with standards; 5 sets of multi-layer filter cartridge dust remover for dust treatment facilities, with capacity being 160,000 m³/h, 160,000 m³/h, 10,000 m³/h, 10,000 m³/h and 96,000 m³/h respectively, emission through the exhaust pipes of 25m, 25m, 17m, 17m and 17m respectively after the treatment in compliance with standards;
- (2) Pre-treatment line: 1 set of VOCs activated carbon adsorption facilities, with capacity of 20,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards; 1 set of multi-layer filter cartridge dust remover for dust treatment facilities, with capacity of 30,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;

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- (3) 1 set of dust removal facilities for the plasma cutting machine, with capacity of 18,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
 - (4) 1 set of activated carbon adsorption facilities equipped to the hazardous waste storage place, with capacity of 10,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Shenzhen CIMC-TianDa Airport Support Ltd.

Industrial sewage:

1 set of wastewater treatment facilities, mainly for treating wastewater generated from painting, spraying and washing. The treated wastewater is reused, and no industrial wastewater is discharged. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of painting waste gas treatment facilities, adopting the activated carbon adsorption + catalytic combustion process;
- (2) 2 sets of sanding waste gas treatment facilities, adopting the cyclone + filter barrel filtration + water rotary tower filtration process;
- (3) 1 set of sand cleaning-out waste gas treatment facilities, adopting the filter barrel filtration process;
- (4) 1 set of cooking fume purification facilities, adopting the electrostatic cooking fume evolution process;
- (5) 1 set of power generator waste gas treatment facilities, adopting the water-bathing filtration process.

Currently, all the said facilities are in normal operation.

Hazardous waste: The company builds 2 hazardous waste warehouses. Currently, the facilities are in normal operation.

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Dalian CIMC Logistics Equipment Co., Ltd.

Industrial sewage:

1 set of painting wastewater treatment facilities, with a designed capacity of 80 t/d. The wastewater is reused after the treatment, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 5 sets of VOCs activated carbon adsorption and regenerative combustion devices (4 sets of activated carbon adsorption and 1 set of regenerative combustion), with capacity of 250,000 m³/h, emission through the exhaust pipe of over 15m after the treatment in compliance with standards;
- (2) 6 sets of dust and waste gas filter cartridge filtration treatment facilities with designed capacity of 180,000 m³/h, emission through the exhaust pipe of over 15m after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 5 hazardous waste warehouses and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

C&C Trucks Co., Ltd.

Industrial sewage:

The wastewater of the plant is treated by the self-built wastewater treatment station and adopts the physical + biochemical process. The capacity of physical system is 800 m³/d; the capacity of biochemical system is 1,200 m³/d; the physical process is coagulation-sedimentation and neutralization; the biochemical process is A/O process. After the treatment, the wastewater is discharged to Binjiang Wastewater Treatment Plant. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) Bag dust collector is built in shot blasting line of frame combined workshop; dust and waste gas with heavy metals generated by the frame shot blasting machine is removed by the built-in bag dust collector, and ultimately emitted through the 15m-high and 0.5m-inner diameter exhaust pipe;
- (2) RTO combustion device is built for frame electrophoresis drying in frame combined workshop; waste gas generated by the electrophoresis drying of frame coating is purified by direct combustion, with the purification rate of 98%. The purified waste gas is emitted through the 15m exhaust pipe;
- (3) Venturi paint mist capturing system is built in the intermediary paint, top coat spraying room of the car body painting workshop; the waste gas of body coating and painting room is treated in Venturi spraying room and by high-altitude dilution, and the paint mist purification rate can be over 95%. The treated waste gas is emitted through the 40m ventilation tower;

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- (4) A DFTO exhaust gas incinerator imported from Germany is built in the intermediary paint and top coat drying room of the body painting workshop; the body painting workshop adopts the direct combustion devices to purify the waste gas in the course of top coat drying, and the purification rate can be 98%. The purified waste gas is emitted through the 25m exhaust pipe;
 - (5) A DFTO exhaust gas incinerator imported from Germany is built in electrophoresis drying room of car body painting workshop; the body painting workshop adopts the direct combustion devices to purify the waste gas in the course of electrophoresis drying, and the purification rate can be 98%. The purified waste gas is emitted through the 20m exhaust pipe;
 - (6) A waste gas adsorption and filtration system is equipped in the paint refinishing room of car body painting workshop.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated solid waste warehouse and commissions qualified institutions for the treatment of all hazardous waste. Currently, the facilities are in normal operation.

Yantai CIMC Raffles Offshore
Engineering Co., Ltd.

Industrial sewage:

No industrial wastewater is generated; Domestic sewage is discharged to the wastewater treatment plant through the network after treated by the oil-separating tank and the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

The pretreatment facilities are equipped with dust and paint mist treatment equipment, among which, the capacity of the dust exhaust funnel is 60,000 m³/h; the waste gas is emitted through the 15m exhaust pipe after treated by the cyclone dust removal + filter cartridge dust removal facilities; The capacity of the paint mist exhaust funnel is 20,000 m³/h; the waste gas is emitted through the 15m exhaust pipe after treated by the dry filtration + activated carbon adsorption facilities.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the hazardous waste warehouses for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Haiyang CIMC Raffles Offshore Ltd.

Industrial sewage:

Mainly being domestic wastewater, which is treated by the existing septic tank and discharged to Haiyang Beikong Wastewater Treatment Plant for further treatment. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of pre-treatment VOCs adsorption concentration – catalytic combustion (RTO) facilities, with capacity of 30,000 m³/h, emission through the 20m exhaust pipe after the treatment in compliance with standards;
- (2) 2 sets of coating workshop VOCs Static activated carbon adsorption and desorption + catalytic combustion facilities, with capacity of 109,000 m³/h, emission through the 20m exhaust pipe after the treatment in compliance with standards;
- (3) 1 set of pre-treatment workshop dust removal facilities, adopting 3-tier dust removal (settling + cyclone + filter cartridge dust removal), with capacity of 30,000 m³/h, emission through the 20m exhaust pipe after the treatment in compliance with standard;
- (4) 1 set of whole-room dust remover for the coating workshop sanding dust treatment facilities, adopting the filter cartridge dust removal, with capacity of 182,000 m³/h, emission through the 26m exhaust pipe after the treatment in compliance with standards;
- (5) 2 sets of local dust remover for the coating workshop sanding dust treatment facilities, adopting the filter cartridge dust removal, with capacity of 24,000 m³/h, emission through the 26m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the hazardous waste warehouses for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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Environmental impact assessment of construction projects and other environmental protection administrative licensing

Environmental impact assessment	42 major subordinate pollutant dischargers have applied for environmental impact assessment and obtained approval.
Sewage permits	<ol style="list-style-type: none"> (1) 39 major pollutant dischargers have obtained the national pollutant discharge permit. (2) 1 major pollutant discharger, namely Southern CIMC Eastern Logistics, has applied to the regulatory departments for exemption from obtaining the permit due to its closure. (3) 2 major pollutant dischargers remain in the rectification period: QDCRC and QDCSR have been making rectifications in accordance with the requirements of local environmental departments. The rectification period will expire on 30 July 2021, during which they can discharge pollutants in accordance with the requirements of rectification notices.
Other environmental protection administrative licensing	<ol style="list-style-type: none"> (1) CIMC Baowell holds the Shanghai Drainage Permit (Hu Shui Wu Pai Zheng Zi No. 056125080); (2) SHYSLE holds the Shanghai Drainage Permit (Hu Pu Shui Wu Pai Jue Zi [2017] No. 662); (3) CIMC Safeway holds the radiation safety license (Su Huan Fu She No. 00045); (4) Nantong CIMC Energy Equipment holds the radiation safety license (Su Huan Fu She No. 01351); (5) Sanctum Cryogenic Equipment holds the radiation safety license (Su Huan Fu She No. E0864); (6) Shijiazhuang Gas Equipment holds the radiation safety license (Su Huan Fu She No. A0138); (7) SOE holds the radiation safety license (Su Huan Fu Zheng No. F0595). (8) Southern CIMC Eastern Logistics submitted the Pingshan Plant discontinuation report to Pingshan Branch of Shenzhen Ecology and Environment Bureau in December 2019, and all its production had been suspended from 31 December 2019 according to the relevant requirements.

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Contingency plans for unexpected environment-related events

Whether the contingency plans have been prepared and have valid period	42 critical pollutant dischargers have prepared the environmental contingency plans, 40 of them keep their environmental contingency plans in valid period, 1 of them (namely Dongguan CIMC Special Vehicle) is reviewing its contingency plan, and the contingency plan of another discharger (namely Southern CIMC Eastern Logistics) was valid until July 2020, which was not renewed as it had ceased production.
Whether the contingency plans have been filed at governmental agencies	41 critical pollutant dischargers have filed their environmental contingency plans, and 1 of them (namely Dongguan CIMC Special Vehicle) will arrange filing with governmental departments after plans are passed by review, which is currently being arranged for review.
Whether the emergency drill has been carried out and documented	41 critical pollutant dischargers have carried out environment-related emergency drills, while 1 of them (namely Southern CIMC Eastern Logistics) did not do so as it had ceased production.

Self-monitoring environmental program

The 41 critical pollutant dischargers carry out environmental monitoring, and delegate qualified inspection agencies to carry out regular inspections on exhaust, wastewater, noise, etc. One of them, Shenzhen Southern CIMC Eastern Logistics Equipment Manufacturing Co., Ltd. has been discontinued, and therefore has not prepared the selfmonitoring environmental program.

Other discloseable environmental information

42 critical pollutant dischargers under the Group's subsidiaries have publicized their environmental information through other channels such as websites of relevant governments or enterprises.

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Other environment-related information

- (1) Two Green Factories were newly added. CIMC -SHAC (Xi'An) Special Vehicle Co., Ltd and Shijiazhuang Enric Gas Equipment Co., Ltd. were both rated as the national "Green Factory".
- (2) Two Green Supply Chain Demonstration Enterprises were newly added. TJCIMC was rated as the national "Green Supply Chain Management Demonstration Enterprise", while Zhumadian CIMC Huajun Vehicle was rated as the Henan provincial-level "Green Supply Chain Management Demonstration Enterprise".
- (3) CIMC Safeway, SOE and TianDa Airport have all purchased the environmental pollution liability insurance.

Whether the Company publishes social responsibility report

Yes No

Nature of the Company	Whether includes information on environment	Whether includes information on society	Social responsibility report		
			Whether includes information on corporate governance	Report disclosure standards	
				Domestic standards	Foreign standards
Others	Yes	Yes	Yes	GSRI-CHINA2.0 and the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Stock Exchange Listing Rules	GRI

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Continuous improvement

- | | | |
|----|---|---|
| 1. | Whether received environmental management system certification (ISO14001) | A total of 58 enterprises within the Group obtained environmental management system certifications (ISO14001), and 33 out of the 42 critical pollutant dischargers were certified. |
| 2. | The annual expense in respect of environmental protection (RMB thousand) | The Group has invested more than RMB252.256 million in environmental protection in the year, of which more than RMB8232.480 million was invested in major sewage discharge enterprises in the year. |

3. The emissions reduction performance of “waste gas, wastewater and waste residue”

Container manufacturing segment:

- (1) Waste gas improvement:

As for VOCs final-stage management, subordinate enterprises under the segment adopted the advanced molecular sieve concentration runner + high temperature oxidation process, with a stable treatment efficiency at above 95%. VOCs online monitoring facilities were also installed at relevant emission outlets to acquire in-time emission data and ensure that VOCs emissions were up to standard. As for the VOCs treatment from source, the 53-foot North American special containers were treated under the principles of “prohibition of solventborne and promotion of waterborne (禁油推水)” and water-based paint was used for production, realizing a reduction in VOCs emission by approximately 70%. On 18 December 2020, five reefer container manufacturers under the Container Association signed a convention to prohibit the use of oil-based paint in the manufacturing of standard reefer containers from 1 July 2021. Two reefer container enterprises of CIMC participated in the signing ceremony; QDCRC adopted the VOCs-free hot melt adhesives to replace traditional solvent-based adhesives, while reducing the generation of VOCs and hazardous waste. As for welding fume management, through a variety of combinations of the adoption of lowfume welding wires, centralized collection, collection at specific points, cartridge filter and electrostatic precipitator, the effective management of welding fume was achieved. In the control of nitric oxide emission, the relevant enterprises have taken effective measures. For instance, CIMC Yangshan conducted low-nitrogen boiler renovation, which has reduced the concentration of nitrogen oxide emissions by more than 50%.

- (2) Waste water improvement:

The segment actively explores the coating waste water treatment technology. Currently, most container plants have achieved zero discharge of industrial sewage, and several subsidiaries have achieved zero discharge of domestic sewage. For instance, TJCIMC improved the sewage treatment efficiency through upgrading the sewage treatment station, maintained COD at a stable level below 50mg/L and met the reclaimed water recycling standard. Another example was NBCIMC, which equipped the sewage treatment station with automatic monitoring system. Under the system, catalysts were utilized accurately; waste water that had not met the standard would not be discharged to the external environment; the pipelines were switched automatically to enable recirculation for further waste water treatment.

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(3) Solid waste improvement:

The container manufacturing segment promoted the recyclable packaging by the model of “the headquarters leading the initiative, subsidiaries advancing the implementation”, and created the waterbased paint “green supply chain”, which replaced traditional disposable metal buckets with recyclable packaging barrels, thus eliminating the generation of waste paint buckets from the source and reducing hazardous waste by more than 20%. The segment promoted the paint residue reduction project, encouraged subsidiaries to install drying or splitting decomposition facilities, and reduced the weight of paint residue by approximately 50%. In the meantime, XHCIMC carried out the research and development of the powder spraying projects, and further reduced the discharge of solid waste, VOCs and other pollutants through treatment from source.

Road vehicle transportation segment:

(1) Waste gas improvement:

Qualified factories were promoted continuously to upgrade the “powder spraying” process to achieve the VOCs treatment from source; while actively using the advanced and efficient terminal treatment facilities, so as to make sure that the emission of waste gas met relevant standards.

(2) Waste water improvement:

Qualified factories were promoted continuously to carry out the “zero discharge of sewage” project, that is, domestic sewage and industrial wastewater were reused after treatment and meeting relevant standards, with no external discharge; and the daily management of sewage was strengthened.

(3) Solid waste improvement:

Improvements were made in accordance with the latest version of the “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes” to strengthen solid waste management in plants, such as the compliant storage of hazardous waste and its proper treatment by a third party, and the continuous promotion of solid waste reduction.

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Energy, chemical and liquid food equipment segment:

(1) Waste gas improvement:

The VOCs treatment facilities have covered all painting processes, effectively putting VOCs emissions under control; sand-blasting and cutting processes also have basically been equipped with dust-removing facilities to reduce dust emissions. Nantong CIMC Energy Equipment has newly installed the intermediate-frequency furnaces, namely the centralized treatment facilities for the removal of oil, fume and dust, to reduce unorganized emissions of fume and dust, and ensure compliant production.

(2) Waste water improvement:

The capacity and level of wastewater treatment were improved continuously, leading to an effective improvement in the wastewater treatment of several enterprises. For instance, Zhangjiagang Sanctum upgraded the existing paint wastewater treatment system and pickling wastewater system to improve the quality of effluent water. All wastewater was reused in plants, and zero discharge of wastewater was realized.

(3) Solid waste improvement:

Hazardous waste treatment was all legal and compliant. All the enterprises have set up the hazardous waste storage red lines, and carried out hazardous waste treatment strictly in accordance with those red lines. They continued to promote the "solid waste reduction" project. For instance, CIMC Safeway systematically upgraded the sludge press-filters and selected a new generation of high-pressure diaphragm press-filters to improve the sludge press-filtering effect. As a result, the water content of sludge formed in one step was reduced from over 80% to 40%, reducing the amount of sludge output greatly. The achievement was remarkable with a year-on-year reduction of nearly 100 tonnes of sludge.

Offshore engineering segment:

(1) Waste gas improvement:

The enterprises continued to strengthen waste gas treatment. For example, Haiyang CIMC Raffles completed the transformation of environmental equipment of the pre-treatment workshop by adopting RTO (regenerative thermal oxidation) process to treat the organic waste gas and applying the cyclone, filter cartridge multilevel filtration process to treat the dust in 2020, achieving remarkable improvement. For instance, Yantai CIMC Raffles and Haiyang CIMC Raffles have completed the installation of online monitoring systems at VOCs emission outlets to monitor data in real time, thus ensuring the effective operation of environmental protection facilities and the stable VOCs emissions which met relevant standards.

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(2) Waste water improvement:

The offshore engineering segment took the lead to sort out the source of waste oil and wastewater, and carried out on-site inspections to find out current status, sought for external sewage treatment equipment manufacturers to jointly discuss and tried to implement the waste oil and wastewater reduction plan, and determined the vacuum cryogenic distillation process as the follow-up improvement direction. The subsidiaries have actively carried out the improvement projects. For instance, Yantai CIMC Raffles improved the pipeline blocking protection process and procedures and used the full-cycle protection management to reduce the number of pipelines that need to be washed in the project and the workload in washing operation. Total wastewater amount of each washing work was reduced by 50%. For instance, Longkou CIMC Raffles has reviewed the domestic sewage treatment pipelines and processes in the plant area, and formulated a wastewater treatment improvement plan, which was scheduled to start construction in 2021.

(3) Solid waste improvement:

Both the segment and enterprises strengthened the training and supervision of solid waste management, and promoted the implementation of the "waste reduction" task. For instance, Yantai CIMC Raffles replaced the paint of pre-treatment workshop in 2020. The original size of discarded paint buckets was reduced from 1.3 kg/100m² to 0.80 kg/100m² for original plates, and from 4.3 kg/100m² to 2.35 kg/100m² for extrusion materials. As for those products in the Petrobras segment (巴油模塊項目), the joint trial of the string washing waste liquid reuse plan with contractors has reduced the original size of 2 m³ string washing waste liquid produced by the 1 m³ pipeline string washing to 1 m³ string washing waste liquid produced by the 1 m³ pipeline string washing.

Airport facilities, fire safety and automated logistics equipment segment:

(1) Waste gas improvement:

The segment further strengthened the operation and maintenance of the equipment and facilities for waste gas treatment, and all subsidiaries achieved stable emission that met the standards. For instance, TianDa Airport further promoted the application of on-line paint proportioning equipment, increased the on-line paint proportioning equipment for component spraying, and reduced the generation of unorganized VOCs during paint mixing, pipeline cleaning and paint pumping processes. At the same time, it actively implemented the VOCs emission reduction projects. For instance, in 2020, Xinfra Airport increased the VOCs on-line monitoring equipment for spray paint and waste gas treatment to connect with the network of the environmental protection bureau, and adopted the hydrocyclone adsorption purification and the "three-level dry filter + activated carbon adsorption regeneration + catalytic combustion purification process", to ensure the stable emission of waste gas which meets relevant standards.

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(2) Waste water improvement:

The enterprises in the segment basically discharged no industrial sewage. All the enterprises further improved the domestic wastewater treatment. For instance, Xinfu Airport added a special tableware washing basin in the living building and, at the same time, drained the wastewater to a grease trap before flowing into a septic tank; cleaned and dredged the grease trap and septic tank regularly every year, and entrusted a third party to monitor domestic wastewater, so as to ensure that the quality of domestic sewage met the discharge standards.

(3) Solid waste improvement:

All the enterprises carried out compliant treatment of solid waste. They implemented the “waste reduction from source” improvement projects. For instance, TianDa Airport further promoted the application of IBC turnover tanks, in which approximately 70% of surface paint was treated using the IBC turnover tanks in place of the original disposable packaging containers. At the same time, focusing on the collection and treatment of “organized emissions”, in case of the dust generated during the original floor glue grinding, it used the vacuum grinders which can effectively collect 95% of the dust generated during grinding. It implemented the improvement projects for the reuse of hazardous waste. For instance, each of the waste filter bags used in the spray paint and waste gas treatment process of TianDa Airport are connected with a metal frame which was originally treated as hazardous waste. After the improvement, the filter bags were removed from the metal frames which can thus be recycled. It further optimized the classification of hazardous waste, leading to a reduction of approximately 3 tonnes in the amount of hazardous waste each year.

Heavy trucks segment:

(1) Waste gas improvement:

The segment strengthened the operation and utilization of environmental protection facilities. For instance, vehicle exhaust collection and treatment facilities were installed in positions for waste gas monitoring.

(2) Waste water improvement:

The segment continuously improved the water quality online monitoring equipment and conducted regular maintenance. It upgraded the aeration tank in sewage treatment station and increased the utilization of phosphorus removal agents and replaced PH monitoring equipment to improve wastewater treatment effect, such that all the indicators stayed in the standard range.

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(3) Solid waste improvement:

The segment completed the upgrading of hazardous waste warehouses, and followed the regulations and requirements. It carried out the standardized management and regular inspections of hazardous waste warehouses in accordance with the pollution control standards for hazardous waste storage, and strictly implemented the warehousing system and the hazardous waste transfer tracking system. By optimizing the production process to improve the utilization rate of various materials, the utilization rate of such products as plates and extrusion materials has increased from 88% to 90.7%, thereby reducing the production of general solid waste.

Logistics segment:

(1) Waste gas improvement:

It conducted tests on the emissions of equipment, and applied for green label for equipment that has met the standards. Non-compliant equipment was eliminated or equipped with emission purification devices. It tried out the additives for fuel and lubrication system to explore ways to improve fuel efficiency and energy transmission efficiency, so as to improve the energy utilization rate and reduce emissions.

(2) Waste water improvement:

The segment further expanded the coverage of sewage purification equipment for container cleaning to increase the wastewater collection rate and realize recycling, with on external discharge.

(3) Solid waste improvement:

The segment fully strengthened the storage and treatment of hazardous waste in compliance with regulations, conducted the identification and the compliance management in respect of general solid wastes, and explored the logistics business related to the recycling and utilization of hazardous waste and general solid waste.

Other Segments:

Unit load segment:

(1) Waste gas improvement:

The segment continuously improved and optimized the waste gas treatment facilities. For instance, Dalian CIMC Logistics Equipment put the regenerative thermal oxidation (RTO) into operation in 2020 to dispose of organic waste gas, which greatly improved the waste gas treatment rate. At the same time, the daily management and inspection was strengthened to ensure the effective use of treatment facilities.

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(2) Waste water improvement:

The enterprises in the segment did not produce and discharge any industrial wastewater, and continued to improve the daily management of domestic sewage.

(3) Solid waste improvement:

Each enterprise fully made improvements by referring to the Revised Law on Prevention and Control of Environment Pollution Caused by Solid Wastes; strengthened the compliant storage of hazardous waste within its plant and its compliant treatment by an external party; and actively promoted improvement projects, such as a year-on-year reduction of more than 5% and 10% in the amount of hazardous waste and general solid waste produced by Dalian Logistics Equipment, respectively.

XIX. EXPLANATION ON OTHER SIGNIFICANT EVENTS

- On 25 February 2020, the Company has completed the issuance of the first tranche of super & short-term commercial papers for 2020 (the “**Tranche I Super & Short-term Commercial Papers**”). The proceeds raised from the Tranche I Super & Short-term Commercial Papers were fully received on 26 February 2020. The issuance amount of the Tranche I Super & Short-term Commercial Papers was RMB2 billion and the issue rate was 1.8% per annum. China Development Bank is the lead underwriter of the Tranche I Super & Short-term Commercial Papers, and Bank of Shanghai Co., Ltd. (上海銀行股份有限公司) is the joint lead underwriter of the Tranche I Super & Short-term Commercial Papers. On 29 April 2020, the Company has completed the issuance of the second tranche of super & short-term commercial papers of the Company for 2020 (the “**Tranche II Super & Short-term Commercial Papers**”). The proceeds raised from the Tranche II Super & Short-term Commercial Papers were fully received on 30 April 2020. The issuance amount of the Tranche II Super & Short-term Commercial Papers was RMB2 billion and the issue rate was 1.2% per annum. China Development Bank is the lead underwriter of the Tranche II Super & Short-term Commercial Papers, and Ping An Bank Co., Ltd. is the joint lead underwriter of the Tranche II Super & Short-term Commercial Papers. On 7 July 2020, the Company has completed the issuance of the third tranche of super & short-term commercial papers of the Company for 2020 (the “**Tranche III Super & Short-term Commercial Papers**”). The proceeds raised from the Tranche III Super & Short-term Commercial Papers were fully received on 7 July 2020. The issuance amount of the Tranche III Super & Short-term Commercial Papers was RMB2 billion and the issue rate was 1.6% per annum. Ping An Bank Co., Ltd. is the lead underwriter of the Tranche III Super & Short-term Commercial Papers. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-004, [CIMC]2020-029 and [CIMC]2020-050) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 February 2020, 29 April 2020 and 7 July 2020.

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2. On 23 March 2020, the operation scheme of the Company to establish a trust plan by utilizing the surplus funds from the bonus balance of the profit sharing plan and make a contribution to the Partnership, which may be used by the Partnership to purchase H Shares of the Company in the secondary market, was considered and approved at the first meeting of the ninth session of the Board of the Company in 2020. The total scale of the fund for the operation scheme shall not exceed RMB343 million, the valid period of which is ten years commencing from the date of approval at the general meeting. The capital scale of the trust plan (first phase) under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC Group (Draft) (the "**Operation Scheme**"), which is determined in accordance with the Operation Scheme, is RMB200 million, with the duration of five years. Such matter has been considered and approved at the 2019 annual general meeting, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020. As at 31 December 2020, the Partnership under the first phase of trust plan purchased 22,441,100 H Shares of the Company cumulatively through the Southbound Stock Connect in the secondary market, which accounted for 0.6242% of the total share capital of the Company. The average transaction price was HKD8.83 per share (tax and fees exclusive). As at 19 January 2021, the Company has completed the purchase of shares under the first phase of the trust plan and the lock-up period for the H shares of the Company purchased is 12 months. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-008, [CIMC]2020-009, [CIMC]2020-036, [CIMC]2020-047, [CIMC]2020-055, [CIMC]2020-075, [CIMC]2020-079, [CIMC]2021-002 and [CIMC]2021-003) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 23 March 2020, 1 June 2020, 22 June 2020, 30 June 2020, 3 August 2020, 3 September 2020, 30 September 2020, 6 January 2021 and 20 January 2021.
3. On 26 March 2020, having communicated with PricewaterhouseCoopers Zhong Tian LLP, the auditor of the Company, the Group made a total provision of RMB6,029.373 million for the asset impairment for the year 2019 under the principle of prudence for the purpose of reflecting the financial condition and asset value of the Company as at 31 December 2019 in a more truthful and accurate manner. For relevant information, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC]2020-013) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 March 2020.
4. On 26 March 2020, as considered and approved at the second meeting of the ninth session of the Board of the Company in 2020, the Company proposed to amend certain articles of the Articles of Association and the Rules of Procedure for the General Meetings. This matter was considered and approved at the 2019 annual general meeting, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-018 and [CIMC]2020-036) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 March 2020 and 1 June 2020.

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5. On 26 March 2020, as considered and approved at the second meeting of the ninth session of the Board of the Company in 2020, the Company proposed to register and issue medium-term notes in an amount of no more than RMB6 billion, perpetual medium-term notes in an amount of no more than RMB2 billion (also known as “**perpetual notes**”) and super & short-term commercial papers in an amount of no more than RMB8 billion. This matter was considered and approved at the 2019 annual general meeting, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-019 and [CIMC]2020-036) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 March 2020 and 1 June 2020.
6. On 26 March 2020, as considered and approved at the second meeting of the ninth session of the Board of the Company in 2020, the Company proposed to issue the Corporate Bonds to the qualified investors who satisfy the requirements under the Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), with the issuance size of the Corporate Bonds in aggregate not exceeding RMB8 billion (inclusive). This matter was considered and approved at the 2019 annual general meeting, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020 and shall be implemented after being approved by China Securities Regulatory Commission, and it is subject to the final plan approved by China Securities Regulatory Commission. On 7 December 2020, interest for the year 2020 was paid on the 2018 Public Issue of Renewable Corporate Bonds for Qualified Investors (Phase I) at RMB4.85 per bond. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-020 and [CIMC]2020-036) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 March 2020, 1 June 2020 and 2 December 2020.
7. On 29 May 2020, the Company received a notice from CITIC – Prudential Life Insurance Co., Ltd. (“**CITIC – Prudential**”, a shareholder of the Company), stating that CITIC – Prudential acquired 7,137,495 additional unrestricted A Shares of the Company on 29 May 2020 through centralised trading on the Shenzhen Stock Exchange, accounting for 0.20% of the total share capital of the Company. Upon the change in shareholding, CITIC – Prudential held 19,733,298 A Shares and 166,355,080 H Shares of the Company, totaling 186,088,378 shares, accounting for 5.19% of the total share capital of the Company. For relevant information, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-035) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 1 June 2020. As at the end of the Reporting Period, the Company, having made reasonable enquiries, confirmed that CITIC – Prudential held 19,733,298 unrestricted A Shares of the Company in addition to the 180,922,580 H Shares of the Company which were registered under HKSCC Nominees Limited, accounting for 5.58% of the total share capital of the Company.

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8. On 22 July 2020, the Company and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (“**Xiang Shan Hua Jin**”) entered into the equity transfer agreement with Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) (“**Tai Fu Xiang Zhong**”). On the same date, the Company and Xiang Shan Hua Jin entered into the share confirmation with respect to the transfer of target shares. Pursuant to the equity transfer agreement and the share confirmation, the Company decided to purchase from Tai Fu Xiang Zhong 63,493,475 shares held in CIMC Vehicles at RMB6.80 per share for a consideration of RMB431,755,630. Upon completion of the transaction, the Company will hold approximately 57.42% equity interest in CIMC Vehicles, and CIMC Vehicles will remain as a non-wholly owned subsidiary of the Company. The transaction was considered and approved at the ninth meeting of the ninth session of the Board of the Company in 2020, at which no Director was required to abstain from voting on the relevant Board resolution due to any material interest in the transaction. The independent directors of the Company have conducted preliminary review and issued independent opinions. The transaction was not required to be submitted to the general meeting of the Company for consideration and approval. For relevant details, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-052) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 22 July 2020.
9. The twelfth meeting of the ninth session of the Board of the Company in 2020 held on 27 August 2020 considered and approved that: 1) Mr. MAI Boliang, current executive Director, has been elected as the Chairman of the ninth session of the Board, with effect from 27 August 2020; 2) Mr. DENG Weidong and Mr. GAO Xiang have been nominated as additional candidates for directorships of the ninth session of the Board, and Mr. GAO Xiang has been appointed as President of the Company, with effect from 27 August 2020; and 3) the Board has appointed members of the committees. The nomination of Mr. DENG Weidong and Mr. GAO Xiang as additional Directors of the ninth session of the Board has been considered and approved at the first extraordinary general meeting of the Company for 2020. On 9 October 2020, the election of Mr. HU Xianfu, a Director, as an additional vice-chairman of the Company was considered and approved at the sixteenth meeting of the ninth session of the Board of the Company in 2020, and members of committees of the Board were determined at the meeting. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-067, [CIMC]2020-072, [CIMC]2020-082 and [CIMC]2020-083) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 27 August 2020 and 9 October 2020.
10. On 16 September 2020, the Company intends to amend certain provisions of the Articles of Association as considered and approved at the thirteenth meeting of the ninth session of the Board of the Company in 2020. This matter has been considered and approved at the thirteenth meeting of the ninth session of the Board of the Company in 2020 and the first extraordinary general meeting for 2020. The full text of relevant rules has been disclosed publicly. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-076 and [CIMC]2020-082) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 16 September 2020 and 9 October 2020.

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11. On 11 October 2019, the Announcement on Extending the Time for the Book Building on 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors has been published by the Company; on 14 October 2019, the Announcement on the Coupon Rate of 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors has been published; On 15 October 2019, the Announcement on the Results of 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors has been published; on 21 October 2019, the Announcement on the Listing of 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors on the Shenzhen Stock Exchange has been published. The actual issuance size of the Bonds is RMB2.0 billion and the final coupon rate is 3.63%. On 11 October 2020, the Company disclosed the Announcement on 2020 Interest Payment for the Listing of 2019 Public Offering of Corporate Bonds (Tranche I) for Qualified Investors. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com), as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 11 October 2019, 14 October 2019, 15 October 2019, 21 October 2019 and 11 October 2020.
12. On 20 October 2020, after consideration and approval by the seventeenth meeting of the ninth session of the Board of the Company in 2020, as the term of the Share Option Incentive Scheme of China International Marine Containers (Group) Co., Ltd. (the "**Share Option Incentive Scheme**") expired on 27 September 2020 and the last trading day was 25 September 2020, according to the relevant rules of the Share Option Incentive Scheme, the Board agreed to cancel a total of 9,554,240 unexercised and expired share options of the A share options during the second exercisable period. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-087, [CIMC]2020-088, [CIMC]2020-089 and [CIMC]2020-093) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 20 October 2020 and 20 November 2020.

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13. On 18 August 2020, the Company received notices from COSCO SHIPPING Development Co., Ltd. (“**COSCO SHIPPING**”), Broad Ride Limited and Promotor Holdings Limited, being shareholders of the Company, whom have been proposing to transfer part of their shareholdings in the Company. On 25 August 2020, COSCO Container Industries Limited (“**COSCO Industries**”) and Long Honour, both being wholly-owned subsidiaries of COSCO SHIPPING, together with Broad Ride Limited and Promotor Holdings Limited, as the four shareholders, and Shenzhen Capital Group entered into the Letter of Intent on Transfer of Shares of China International Marine Containers (Group) Co., Ltd., pursuant to which the four shareholders agreed to transfer part or all of their respective shares held in the Company to Shenzhen Capital Group and its designated wholly-owned subsidiary. On 12 October 2020, each of Shenzhen Capital (Hong Kong) and Shenzhen Capital Group, COSCO Industries, Long Honour, COSCO SHIPPING, Broad Ride Limited and Promotor Holdings Limited entered into the Share Transfer Agreement. Upon the transfer, COSCO Industries will still hold 168,606,212 A Shares of the Company (representing 4.69% of the total share capital of the Company as of the date of signing the agreement), and Long Honour, Broad Ride Limited and Promotor Holdings Limited will no longer hold shares of the Company; Shenzhen Capital Group and its subsidiary, Shenzhen Capital (Hong Kong), will hold 350,000,000 A Shares and 719,089,532 H Shares of the Company, respectively, representing 29.74% of the total share capital of the Company as of the date of signing the agreement in aggregate, and will become the Company’s largest shareholder. There is still no controlling shareholder or actual controller of the Company upon the completion of this share transfer. On 18 December 2020, the Share Transfer has been fully completed. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-062, [CIMC]2020-066, [CIMC]2020-085, [CIMC]2020-100 and [CIMC]2020-102) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020, 25 August 2020, 12 October 2020, 16 December 2020 and 18 December 2020.
14. On 9 March 2021, the Board received the written resignations from Mr. LIU Chong, a director of the Company, and Mr. GAO Xiang, a director of the Company. Mr. LIU Chong has tendered his resignation from the positions of director, vice-chairman and the member of the Strategy Committee of the Board of the Company due to the change in job assignments. Mr. LIU Chong will not take any position in the Company upon his resignation of the aforesaid positions. Mr. GAO Xiang has tendered his resignation from the position of director of the Company due to the change in job assignments. Mr. GAO Xiang’s position as the president of the Company and other positions in the subsidiaries of the Company remain unchanged upon his resignation of the aforesaid position. The resignations of Mr. LIU Chong and Mr. GAO Xiang have taken effect from the date of the Board’s receipt of their written resignations. On the same date, the Supervisory Committee of the Company received the written resignation from Mr. LIN Feng, the chairman of the Supervisory Committee. Mr. LIN Feng has tendered his resignation from the positions of chairman of the Supervisory Committee and the supervisor representing shareholder of the Company due to the change in work arrangement. Mr. LIN Feng will not take any position in the Company upon his resignation of the aforesaid positions. Mr. LIN Feng’s resignation will result in the total number of supervisors of the Company falling below the minimum quorum; therefore, according to the Articles of Association, Mr. LIN Feng’s resignation will not come into effect until a new supervisor is elected at the Company’s general meeting to fill the vacancy. Mr. LIN Feng shall continue to fulfill the duties of supervisor before his resignation takes effect. On 15 March 2021, the Resolution in Relation to the By-election of Mr. ZHU Zhiqiang (朱志強) and Mr. KONG Guoliang (孔國梁) as Directors of the Ninth Session of the Board and the Resolution in Relation to the By-election of Ms. SHI Lan (石瀾) as a Supervisor Representing Shareholder of the Ninth Session of the Supervisory Committee were considered and approved by the fifth meeting in 2021 of the ninth session of the Board and the first meeting in 2021 of the ninth session of the Supervisory Committee of the Company, respectively. On 7 April 2021,

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the Resolution in relation to the By-election of Mr. ZHU Zhiqiang (朱志強) and Mr. KONG Guoliang (孔國梁) as Directors of the Ninth Session of the Board and the Resolution in relation to the By-election of Ms. SHI Lan (石瀾) as a Supervisor Representing Shareholder of the Ninth Session of the Supervisory Committee were considered and approved at the second meeting of the 2021 extraordinary general meeting. On the same day, the election of Director Mr. ZHU Zhiqiang as the Vice Chairman of the Company and the election of Supervisor Ms. Ms. SHI Lan as Chairman of the Board of Supervisors were considered and approved at the ninth meeting in 2021 of the ninth session of the Board and the third meeting in 2021 of the ninth session of the Supervisory Committee of the Company, respectively. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcements Nos.: [CIMC]2021-014, [CIMC]2021-020, [CIMC]2021-036, [CIMC]2021-037, [CIMC]2021-038, [CIMC]2021-039 and [CIMC]2021-040) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 9 March 2021, 15 March 2021 and 7 April 2021.

15. On 29 March 2021, Resolution Regarding the Appointment of the Senior Management and Resolution Regarding the Approval on Appointment of the Authorised Representative, Joint Company Secretary and Representative of Securities Affairs were considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company. It was agreed to re-appoint Mr. Huang Tianhua and Mr. Yu Yuqun as the vice presidents of the Company for a term of three years from the date of approval by the seventh meeting in 2021 of the ninth session of the Board and ending on the conclusion of the Board for 2024 according to the nomination by Mr. Mai Boliang (as chairman and CEO); to appoint Mr. Wu Sanqiang as the secretary to the Board/a joint company secretary of the Company for a term of three years from 30 March 2021 and ending on the conclusion of the Board for 2024 according to the nomination by Mr. Mai Boliang (as chairman and CEO); to appoint Ms. He Linying as the representative of securities affairs of the Company and a joint company secretary with effect from 30 March 2021. Mr. Yu Yuqun resigned as the secretary to the Board and company secretary of the Company due to work arrangement. Mr. Wang Xinjiu no longer served as the representative of securities affairs of the Company due to job transfer.

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XX. SIGNIFICANT EVENTS OF SUBSIDIARIES

1. On 26 March 2020, as considered and approved at the second meeting of the ninth session of the Board of the Company in 2020, the non-wholly owned subsidiary of the Company, CIMC Chancheng provided guarantees for the financing businesses of related/connected parties including Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. (深圳市太子灣商融置業有限公司) (“**Shangrong Real Estate**”), Shenzhen Taiziwan Shangtai Real Estate Co., Ltd. (深圳市太子灣商泰置業有限公司) (“**Shangtai Real Estate**”), majority-owned subsidiaries of China Merchants Shekou Industrial Zone Holdings Co., Ltd., and Qujing Zhongbirui which is a majority-owned subsidiary of Country Garden Real Estate Group Co., Ltd. (碧桂園地產集團有限公司) in proportion to its shareholding. The maximum amounts in respect of guarantees provided by CIMC Chancheng to Shangrong Real Estate, Shangtai Real Estate and Qujing Zhongbirui is RMB343 million, RMB343 million and RMB490 million, respectively. For relevant information, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-015) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 March 2020.
2. On 13 April 2020, CIMC Chancheng has completed the issuance of the first tranche of private placement notes (PPN) for 2020 (the “**Tranche I PPN**”). The proceeds raised from the Tranche I PPN were fully received on 13 April 2020. The actual issuance amount of the Tranche I PPN was RMB500 million and the issue rate was 5.5% per annum. Bank of Shanghai Co., Ltd. is the lead underwriter of the Tranche I PPN, and CSC Financial Co., Ltd. is the joint lead underwriter of the Tranche I PPN. On 15 June 2020, CIMC Chancheng has completed the issuance of the second tranche of private placement notes (PPN) for 2020 (the “**Tranche II PPN**”). The proceeds raised from the Tranche II PPN were fully received on 15 June 2020. The actual issuance amount of the Tranche II PPN was RMB400 million and the issue rate was 5.4% per annum. Bank of Shanghai Co., Ltd. is the lead underwriter of the Tranche II PPN, and CSC Financial Co., Ltd. is the joint lead underwriter of the Tranche II PPN. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-022 and [CIMC]2020-040) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 13 April 2020 and 15 June 2020.
3. On 16 April 2020, CIMC Chancheng proposed to provide financial assistance to a connected party, Shenzhen Country Garden, through its non-wholly owned subsidiaries, Jihong Investment and Jiyuan Investment. Shenzhen Country Garden will receive the financial assistance of no more than RMB2.258 billion in total by a ratio of 30%, including no more than RMB0.474 billion of financial assistance to be provided by Jihong Investment to Shenzhen Country Garden and no more than RMB1.784 billion of financial assistance to be provided by Jiyuan Investment to Shenzhen Country Garden. The transaction has been considered and approved at relevant general meeting. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-025 and [CIMC]2020-036) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 16 April 2020 and 1 June 2020.

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4. On 6 May 2020 and 15 May 2020, the initial public offering of RMB ordinary shares (A shares), listing and trading of the shares on the ChiNext (創業板) of SZSE by CIMC Vehicles (the “**A-share Issue**” or “**ChiNext Listing**”) was considered and approved at the board meeting of CIMC Vehicles, a majority-owned subsidiary of the Company. A supplementary circular in relation to the A-share Issue and other relevant resolutions has also been published. The resolution regarding the A-share Issue and other relevant resolutions were considered and approved at the sixth meeting of the ninth session of the Board of the Company held on 19 June 2020. The independent Directors of the Company have conducted preliminary review and issued independent opinions on the A-share Issue. On 22 June 2020, the resolution regarding the A-share Issue and other relevant resolutions were considered and approved at the annual general meeting and the class meeting of CIMC Vehicles. CIMC Vehicles received an acceptance notice from the Shenzhen Stock Exchange on 31 July 2020. On 25 December 2020, the application for A Share offering of CIMC Vehicles was approved by the ChiNext Market of Shenzhen Stock Exchange listing committee. The A Share offering of CIMC Vehicles is subject to the consent of the CSRC for registration and certain conditions precedent and is therefore has uncertainties. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-031, [CIMC]2020-032, [CIMC]2020-037, [CIMC]2020-043, [CIMC]2020-044, [CIMC]2020-052, [CIMC]2020-053, [CIMC]2020-054 and [CIMC]2020-104) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 6 May 2020, 15 May 2020, 2 June 2020, 19 June 2020, 22 June 2020, 22 July 2020, 2 August 2020 and 27 December 2020.
5. Enric Shenzhen received certain litigation documents served by the Jiangsu Province High People’s Court, including a notice of response to action [(2018) Su Min Chu No.37] [(2018)蘇民初字第37號]) and a writ of summons in December 2018, pursuant to which, the plaintiff SOEG sued the defendant Enric Shenzhen, and petitioned the court to: 1) order Enric Shenzhen to pay SOEG the remaining balance of the equity transfer of RMB153,456,000; 2) order Enric Shenzhen to bear the attorney fee loss of RMB50,000 incurred by SOEG; 3) order Enric Shenzhen to bear the costs of this case. The litigation entered the trial stage in September 2019, and the Nantong Intermediate Court has recently made the first-instance judgment: 1) the claim made by the plaintiff SOEG has been dismissed; 2) the case acceptance fee of RMB809,330 shall be borne by the plaintiff SOEG; 3) if the judgment is not accepted, the plaintiff SOEG and the defendant Enric Shenzhen may submit an appeal to the Nantong Intermediate Court within 30 days and 15 days, respectively, from the date the judgment is served, and may provide the copies of the appeal in the same number as that of the parties involved. The appeal (if any) will proceed at the Jiangsu Province High People’s Court, and the case acceptance fee for the appeal shall be prepaid to the Jiangsu Province High People’s Court according to the Measures for Payment of Litigation Costs (《訴訟費用交納辦法》). In August 2020, Enric Shenzhen has received the SOEG petition served by the Nantong Intermediate People’s Court of Jiangsu Province, and the case will then be transferred to the Jiangsu Province High People’s Court for second instance. As disclosed in the announcement of the Company dated 8 December 2020, as SOEG did not make advance payment for court hearing charges within the specified timeframe, the case was treated as automatic withdrawal of appeal. The first instance judgment shall be legally effective from the date of the Ruling served. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-041, [CIMC]2020-060 and [CIMC]2020-099) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 31 January 2019, 15 June 2020, 12 August 2020 and 8 December 2020.

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6. On 6 August 2020, it was considered and approved at the tenth meeting of the ninth session of the Board of the Company in 2020 that Country Garden will pay additional capital of RMB1,606,124,427 to CIMC Chancheng, an indirect non-wholly-owned subsidiary of the Company, and the corresponding additional capital to the equity value of uncompleted parts of Qianhai Projects (if any) will be increased to a maximum of RMB39,012,616. Upon the completion of the transaction, the equity interest in CIMC Chancheng held by Country Garden will increase from 25% to 30%. According to the Capital Increase Agreement dated 18 August 2020, Qujiang Cultural Industry Investment paid the tentative proposed additional capital price of RMB2,351,531,106.75 to CIMC Chancheng, an indirect non-wholly owned subsidiary of the Company. Upon completion of the transaction, the registered capital of CIMC Chancheng will be increased to RMB454,703,689.29, and Qujiang Cultural Industry Investment will hold 20% equity interest in CIMC Chancheng. Upon completion of the capital increase by Qujiang Cultural Industry Investment, the percentage of equity interest held by the Company in CIMC Chancheng will be decreased to 45.92%. Upon the completion of the above two transactions, CIMC Chancheng has become an associate of the Company. In addition, as certain directors and senior management of the Group will hold directorship on the new board of directors of CIMC Chancheng, according to the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, CIMC Chancheng will also constitute a related party of the Company under the Shenzhen Listing Rules. After CIMC Chancheng introduces the strategic investor, the Company will still have fund transfers with CIMC Chancheng and provide related-party guarantees to it. Such matters stated above have been considered and approved by the first extraordinary general meeting for 2020, the eleventh meeting of the ninth session of the Board of the Company in 2020 and the first extraordinary general meeting of the Company for 2020. All the independent Directors have issued preliminary review opinions. For relevant details, please refer to announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-057, [CIMC]2020-058, [CIMC]2020-063, [CIMC]2020-064 and [CIMC]2020-082) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 6 August 2020, 18 August 2020 and 9 October 2020.
7. On 12 August 2020, the Company, Shenzhen CIMC Intelligent Technology Co., Ltd. ("**CIMC Intelligent**", a subsidiary of the Company), Southern CIMC (a wholly-owned subsidiary of the Company) and Dongjie Intelligent (Shenzhen) Co., Ltd. (東傑智能(深圳)有限公司) ("**Shenzhen Dongjie**") signed the Equity Transfer Agreement Regarding Shenzhen CIMC Intelligent Technology Co., Ltd. (hereinafter referred to as the "**Equity Transfer Agreement**"). Pursuant to the Equity Transfer Agreement, the Group intends to transfer its 55% equity interest in CIMC Intelligent to an independent third party, Shenzhen Dongjie, for a transaction consideration of RMB49.5 million. Upon completion of the transaction, the Company's equity in CIMC Intelligent will be reduced from 68% to 13%, and CIMC Intelligent will cease to be a subsidiary of the Company. At the same time, the Company's loan amounting to RMB15 million to CIMC Intelligent constitutes the external financial assistance upon completion of the transaction. As stipulated in the Equity Transfer Agreement, the relevant parties shall repay the principal and interest in one lump sum within three months from the date of equity delivery in this transaction (bearing interest based on annualized interest rate of 6%). For relevant details, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC]2020-059) and the announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 12 August 2020.

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8. On 28 September 2020, the joint offerors (one of which is Sharp Vision Holdings Limited, a wholly-owned subsidiary of the Company) requested the CIMC-TIANDA Board to put forward the Proposal to the scheme shareholders and option holders of CIMC-TIANDA regarding the proposed privatisation of CIMC-TIANDA by way of scheme of arrangement under Section 86 of the Companies Law of the Cayman Islands. The matter above was approved by the Grand Court of the Cayman Islands and the extraordinary general meeting and the scheme became effective on Thursday, 21 January 2021 (Cayman Islands time). The listing shares of the CIMC-TIANDA on the Stock Exchange was withdrawn at 4:00 p.m. on Monday, 25 January 2021. For relevant information, please refer to the announcements of the Company dated 8 October 2020, 24 December 2020 and 21 January 2021 published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (announcement no.: [CIMC]2020-080, [CIMC]2020-103 and [CIMC]2021-004) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 4 October 2020.
9. On 16 December 2020, as disclosed in the announcement of the Company, the Company and CIMC Enric have jointly submitted to the Hong Kong Stock Exchange an application for the proposed spin-off of CIMC Safeway Technology Co., Ltd (中集安瑞環科技股份有限公司) (formerly known as Nantong CIMC Tank Storage and Transport Equipment Manufacturing Co., Ltd. (南通中集罐式儲運設備製造有限公司), "**CIMC Safe Tech**") for separate A-shares listing in accordance with Practice Note 15 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. The Hong Kong Stock Exchange notified the Company and CIMC Enric that its Listing Committee has agreed that the Company and CIMC Enric may proceed with the proposed spin-off pursuant to PN15. The Company will make further announcement(s) on any major updates and progress in relation to the transaction in accordance with the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and other applicable laws and regulations as and when appropriate. For relevant information, please refer to the announcement of the Company dated 16 December 2020 published on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (announcement no.: [CIMC]2020-101) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
10. CIMC Financial Leasing Co., Ltd., a wholly-owned subsidiary of the Company, intended to establish the asset-backed securities program through program managers and proposed to apply to the Shenzhen Stock Exchange for the registration and issuance of asset-backed securities for medical devices leasing with a size not exceeding RMB370 million and to apply for the shelf offering of asset-backed securities for small and micro-sized vehicles leasing with a size not exceeding RMB2.5 billion. The issuance plan is not required to be submitted to the general meeting of the Company for consideration. The final issuance plan is subject to the approval of the Shenzhen Stock Exchange. For relevant information, please refer to the announcement of the Company dated 5 February 2021 published on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (announcement no.: [CIMC]2021-008) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

CHAPTER IX

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

I. CHANGES IN SHAREHOLDINGS DURING THE REPORTING PERIOD

1. Changes in Shareholdings

Unit: Share

	Pre-movement		New issue	Increase/decrease (+/-) Conversion				Sub-total	Post-movement	
	Numbers of shares	Percentage		Bonus issue	from reserves	Others	Numbers of shares		Percentage	
I. Shares with selling restrictions	850,232	0.02%	0	0	0	0	0	850,232	0.02%	
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%	
2. Shares held by state-owned companies	0	0.00%	0	0	0	0	0	0	0.00%	
3. Shares held by other domestic investors	850,232	0.02%	0	0	0	0	0	850,232	0.02%	
Including: Shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%	
Shares held by domestic natural persons	850,232	0.02%	0	0	0	0	0	850,232	0.02%	
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%	
Including: Shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%	
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%	
II. Shares without selling restrictions	3,583,654,150	99.98%	10,509,208	0	0	0	10,509,208	3,594,163,358	99.98%	
1. RMB-denominated ordinary shares	1,523,762,220	42.47%	10,509,208	0	0	0	10,509,208	1,534,271,428	42.68%	
2. Shares traded in non-RMB currencies and listed domestically	0	0.00%	0	0	0	0	0	0	0.00%	
3. Shares traded in non-RMB currencies and listed overseas	2,059,891,930	57.51%	0	0	0	0	0	2,059,891,930	57.30%	
4. Others	0	0.00%	0	0	0	0	0	0	0.00%	
III. Total shares	3,584,504,382	100.00%	10,509,208	0	0	0	10,509,208	3,595,013,590	100.00%	

Reasons for changes in shares during the Reporting Period:

During the Reporting Period, 10,509,208 options were exercised during the second exercisable period for the First Tranche of Share Option Incentive Scheme, and 0 options were exercised during the second exercisable period for the Second Tranche of Share Option Incentive Scheme. 10,509,208 options were exercised in aggregate.

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Approval for changes in share capital

Applicable Not Applicable

Transfer for changes in shares

Applicable Not Applicable

Progress of the implementation of share repurchase

Applicable Not Applicable

Progress of the implementation of reducing shareholding of repurchase shares by way of centralized bidding

Applicable Not Applicable

Effects of changes in share capital on financial indicators such as the basic earnings per share and diluted earnings per share, or the net assets per share attributable to Shareholders and other owners of equity interests of the parent of the previous year or latest period

Applicable Not Applicable

Unit: RMB/share

Item	Pre-movement in shares	Post-movement in shares
2020		
Basic earnings per share	1.42	1.41
Diluted earnings per share	1.42	1.41
Net assets per share attributable to Shareholders and other owners of equity interests of the parent	12.28	12.24

Other matters that the Company deemed necessary to or required by the securities regulatory authority to be disclosed

Applicable Not Applicable

CHAPTER IX CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

2. Changes in Shares with Selling Restrictions

Applicable Not Applicable

Unit: Share

Name of Shareholders	Number of shares with selling restrictions at the beginning of the Period	Number of shares with selling restrictions expired in the Period	Increase in number of shares with selling restrictions in the Period	Number of shares with selling restrictions at the end of the Period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai Boliang (Note 1)	445,232	0	0	445,232	Shares are subject to selling restrictions in accordance with relevant provisions of stock exchanges and clearing companies	Nil
Huang Tianhua (Note 1)	405,000	0	0	405,000	Same as above	Nil
Total	850,232	0	0	850,232		

Note1: In accordance with relevant provisions of stock exchanges and clearing companies, regarding the shares attributable to the executives of the Company, 25% of total shares held by them will be traded freely at the beginning of each year and the unsold part will be included into total shares held by the senior management to calculate the shares with selling restrictions for next year. During the Reporting Period, due to the Company's Chairman and CEO Mr. Mai Boliang and the vice president Mr. Huang Tianhua did not sell shares, and thus 445,232 shares and 405,000 shares held by them respectively subject to selling restrictions attributable to executives remain unchanged.

CHAPTER IX CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

II. ISSUE AND LISTING OF SECURITIES

1. Issue of Securities (excluding Preferred Shares) during the Reporting Period

Applicable Not Applicable

2. Changes in the Total Number of Shares and Shareholder Structure of the Company, and Changes in Asset and Liability Structure of the Company

Applicable Not Applicable

During the Reporting Period, an aggregate of 39,200,493 share options were exercised from the first batch and the second batch of the A Share(s) share options. Please refer to "1. A Share(s) Share Option Incentive Scheme of the Company" of "XV. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures" under "Chapter VIII Significant Events" in this Report for details.

During the Reporting Period, there was a change in the shareholder structure of the Company, with the largest shareholder changing to Shenzhen Capital Group and the second largest shareholder to China Merchants Group. Please refer to "13" of "XIX. EXPLANATION ON OTHER SIGNIFICANT EVENTS" under "Chapter VIII Significant Events" in this Report for details.

For details of the changes in the liability structure of the Group during the Reporting Period, please refer to "V. ITEMS AT FAIR VALUE" in "CHAPTER II SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS" in this Report.

3. Existing Employee Shares

Applicable Not Applicable

CHAPTER IX CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

III. SHAREHOLDERS AND DE FACTO CONTROLLER

1. Number of Shareholders and Shareholdings of the Company

The total number of Shareholders of the Company as at 31 December 2020 was 78,512, including 78,485 holders of A Shares and 27 registered holders of H Shares. The total number of Shareholders of the Company as at 28 February 2021 (being the end of the month prior to the publication date of the 2020 Annual Report of the Company) was 82,827, including 82,800 holders of A Shares and 27 registered holders of H Shares.

Unit: Share

Total ordinary Shareholders at the end of the Reporting Period		78,512	Total ordinary Shareholders at the end of the month prior to the publication date of Annual Report		82,827			
Shareholdings of the Shareholders who held 5% or more or the top ten Shareholders at the end of the Reporting Period								
Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held at the end of the Reporting Period	Changes during the Reporting Period	Number of shares held with selling restrictions	Number of shares held without selling restrictions	Pledged or frozen shares	
							Status	Number
HKSCC Nominees Limited (Note 1)	Foreign legal person	58.20%	2,092,288,993	9,065,960	-	2,092,288,993	-	-
Shenzhen Capital Group (Note 2)	State-owned legal person	9.74%	350,000,000	350,000,000	-	350,000,000	-	-
COSCO Container Industries Limited	Foreign legal person	4.69%	168,606,212	(350,000,000)	-	168,606,212	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.09%	75,061,751	(9,897,857)	-	75,061,751	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	45,592,560	-	-	45,592,560	-	-
#Henan Yiluo Investment Management Co., Ltd. - Jun'an No.9 Yiluo private equity investment fund	Domestic non-state-owned legal person	1.21%	43,351,833	43,351,833	-	43,351,833	-	-
#Henan Yiluo Investment Management Co., Ltd. - Junxing No.10 private equity fund	Domestic non-state-owned legal person	0.97%	34,790,686	34,790,686	-	34,790,686	-	-
#Henan Yiluo Investment Management Co., Ltd. - Junxing No.4 private equity fund	Domestic non-state-owned legal person	0.63%	22,637,154	22,637,154	-	22,637,154	-	-
CITIC - Prudential Life Insurance Co., Ltd. - participating products (Note 3)	Domestic non-state-owned legal person	0.55%	19,733,298	11,070,715	-	19,733,298	-	-
Miao Yanfen (苗燕芬)	Domestic natural person	0.52%	18,589,013	18,589,013	-	18,589,013	-	-
Strategic investors or ordinary legal persons who became top ten Shareholders due to placing of new shares (if any)		None						
Explanation on the relationship or concerted action of the above shareholders		Unknown						
Explanation on above shareholders' delegation of/ being entrusted with and waiver of voting rights		None						

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Shareholdings of the top ten Shareholders without selling restrictions at the end of the Reporting Period

Name of Shareholders	Number of shares without selling restrictions held at the end of the Reporting Period	Type of shares	
		Type of shares	Number
HKSCC Nominees Limited (Note 1)	2,059,769,540	Overseas listed foreign shares	2,059,769,540
	32,519,453	RMB-denominated ordinary shares	32,519,453
Shenzhen Capital Group (Note 2)	350,000,000	RMB-denominated ordinary shares	350,000,000
COSCO Container Industries Limited	168,606,212	RMB-denominated ordinary shares	168,606,212
China Securities Finance Corporation Limited	75,061,751	RMB-denominated ordinary shares	75,061,751
Central Huijin Asset Management Ltd.	45,592,560	RMB-denominated ordinary shares	45,592,560
#Henan Yiluo Investment Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund	43,351,833	RMB-denominated ordinary shares	43,351,833
#Henan Yiluo Investment Management Co., Ltd. – Junxing No.10 private equity fund	34,790,686	RMB-denominated ordinary shares	34,790,686
#Henan Yiluo Investment Management Co., Ltd. – Junxing No.4 private equity fund	22,637,154	RMB-denominated ordinary shares	22,637,154
CITIC – Prudential Life Insurance Co., Ltd. – participating products (Note 3)	19,733,298	RMB-denominated ordinary shares	19,733,298
Miao Yanfen (苗艷芬)	18,589,013	RMB-denominated ordinary shares	18,589,013
Explanation on the relationship or concerted action between the top ten Shareholders of circulating shares without selling restrictions, or the top ten Shareholders of circulating shares without selling restrictions and the top ten Shareholders	Unknown		
Explanation on the top ten ordinary Shareholders participating in financing securities business (if any)	Nil		

Note 1: As at 31 December 2020, HKSCC Nominees Limited held 2,092,288,993 shares of the Company, including 32,519,453 A shares and 2,059,769,540 H shares. The H shares registered under HKSCC Nominees Limited include (but not limited to) 880,429,220 H shares held by China Merchants Group through its subsidiaries (including China Merchants (CIMC) Investment etc.), and the 719,089,532 H shares directly held by Shenzhen Capital Group through its wholly-own subsidiary Shenzhen Capital (Hong Kong).

Note 2: As at 31 December 2020, Shenzhen Capital Group held 719,089,532 H shares of the Company which were registered under HKSCC Nominees Limited (see note 1 above) and 350,000,000 A shares of the Company.

Note 3: As at 31 December 2020, CITIC-Prudential Life Insurance Co., Ltd. held 19,733,298 A Shares of the Company and another 180,922,580 H Shares of the Company registered in the name of HKSCC Nominees Limited (see note 1 above) as mentioned above.

The top ten ordinary Shareholders and the top ten ordinary Shareholders without selling restrictions of the Company haven't conducted any agreed repurchase transactions during the Reporting Period.

CHAPTER IX CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

2. Controlling Shareholders of the Company

Applicable Not Applicable

There is no controlling Shareholder in the Company. During the Reporting Period, there was no change.

3. De Facto Controller

Applicable Not Applicable

There is no de facto controller in the Company. During the Reporting Period, there was no change.

Whether there are any Shareholders at the ultimate controlling level with shareholdings above 10% in the Company

Yes No

Name of the corporate Shareholder	Legal representative/ Company leader	Date of establishment	Registered capital	Main business or management activities
Shenzhen Capital (Hong Kong) Container Investment Co., Ltd.	Shi Lan (Designated Representative)	22 September 2020	HK\$50,000	Investment
China Merchants (CIMC) Investment Limited	Hu Xianfu	17 January 1995	HK\$10,000	Investment, shareholding

Changes in de facto controller during the Reporting Period

Applicable Not Applicable

De facto controller controls the Company through trust or other asset management

Applicable Not Applicable

4. Other Corporate Shareholders with a Shareholding above 10%

Applicable Not Applicable

5. Restrictions on Decrease in Shareholding by Controlling Shareholders, De Facto Controller, Reorganising Parties and Other Undertaking Parties

Applicable Not Applicable

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IV. DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG

So far as the directors are aware, as at 31 December 2020, the persons other than a director, supervisor or chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company which are discloseable under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong are as follows:

Name of shareholder	Nature of shareholding	Number of shares	Capacity	Percentage of such shares in the issued share capital of the same class	Percentage of such shares in the total share capital
Shenzhen Capital Group (Note 1)	A shares	350,000,000(L)	Interest of corporation controlled by the substantial shareholder	22.80%	9.74%
	H shares	719,089,532(L)	Interest of corporation controlled by the substantial shareholder	34.91%	20.00%
China Merchants Group (Note 2)	H shares	880,429,220(L)	Interest of corporation controlled by the substantial shareholder	42.74%	24.49%

(L) Long position

Note 1: Shenzhen Capital Group has an interest in the A Shares of the Company, being 350,000,000 A Shares (L), and holds an interest in H Shares of the Company, being 719,089,532 H Shares (L) through its subsidiary Shenzhen Capital (Hong Kong), both of which are held in the capacity as interest of corporation controlled by the substantial shareholder.

Note 2: China Merchants Group, through its subsidiaries (including China Merchants (CIMC) Investment Limited etc.), holds an interest in the H shares of the Company, and all the 880,429,220 H shares (L) are held in the capacity as interest of corporation controlled by the substantial shareholder.

Save as disclosed above and so far as the directors are aware, as at 31 December 2020, no other person (other than a director, supervisor or chief executive of the Company) had any interests recorded in the register of interests and short positions in shares required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong.

CHAPTER IX CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Information on Substantial Shareholders

The substantial shareholders of the Company are Shenzhen Capital Group and China Merchants Group.

Shenzhen Capital Group was incorporated in the PRC in June 2007 with a registered capital of RMB14.62 billion and Mr. Hu Guobin as its legal representative. Shenzhen Capital Group is the only state-owned municipal capital operation company in Shenzhen and one of the five municipal enterprises in Shenzhen selected for the national “Double Hundred Action”. With the reform and development of Shenzhen state-owned enterprises, Shenzhen Capital Group has explored a business model with capital operation as its core, established four major business segments, namely strategic research and merger and acquisition, equity investment, industrial fund and capital market investment, formed an investment and acquisition service system covering the whole life cycle of enterprises and a post-investment service empowerment system focusing on “capital management”, and devoted itself to developing from a local state-owned capital operation platform in Shenzhen into a first-class market-oriented, professional and comprehensive state-owned capital operation integrated service provider in China. As at the end of the Reporting Period, Shenzhen Capital Group and its wholly-owned subsidiary, Shenzhen Capital (Hong Kong), held a total of 29.74% of the issued shares of the Company and was the largest shareholder of the Company.

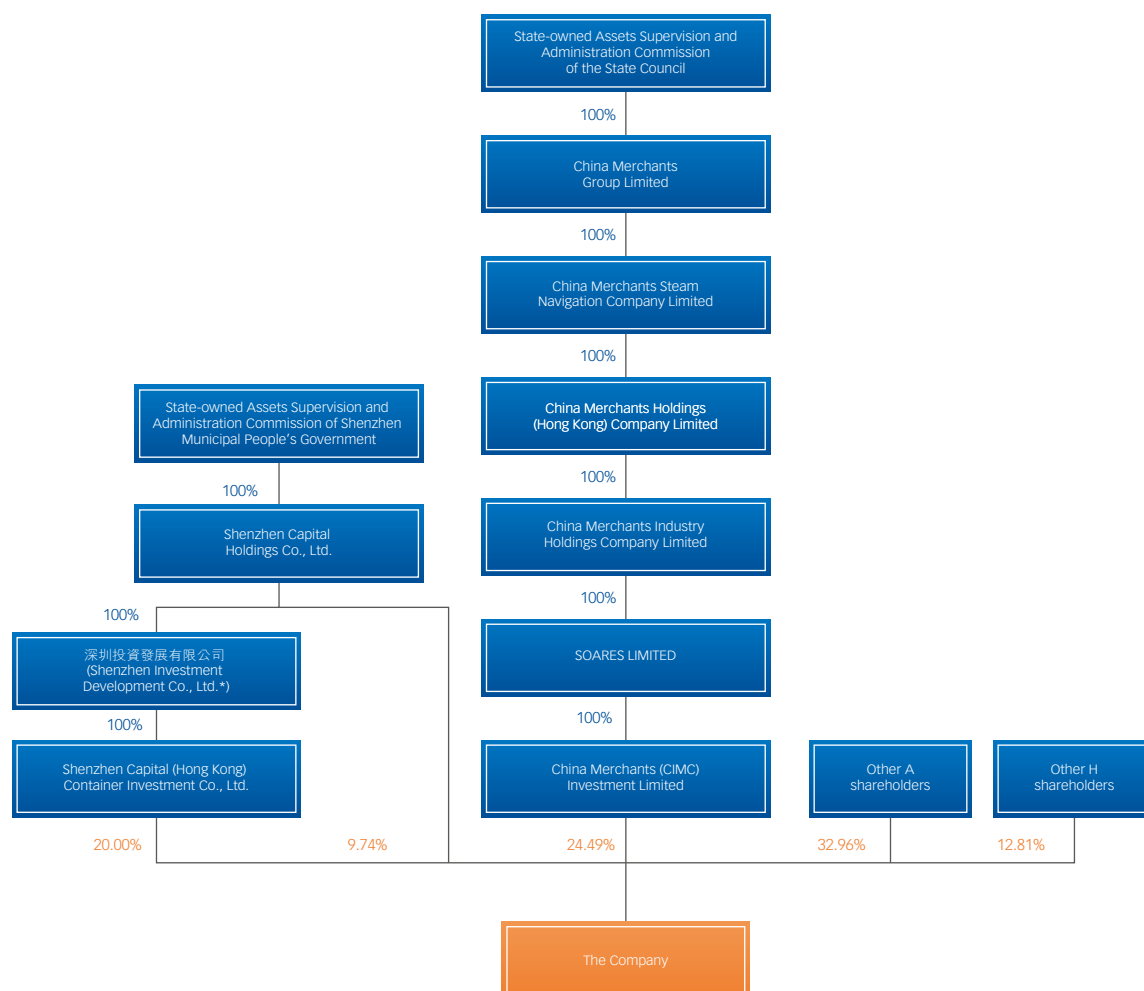
China Merchants Group was incorporated in October 1986 in the PRC. Its registered capital is RMB16.7 billion and its chairman of the board of directors is Mr. Miao Jianmin. China Merchants Group’s business focuses on three core industries, namely transportation (harbour, highway, shipping, logistics, ocean engineering and trade), finance (banking, securities, funds and insurance) and real estates (industrial park development and real estate development), and is transforming from these three core industries to three major platforms, namely industrial operations, financial services, investment and capital operations. On 9 June 2017, China Merchants Ports Holdings Company Limited, a subsidiary of China Merchants Group, completed the transaction of transferring all shares of Soares Limited to China Merchants Industry Holdings Company Limited, another subsidiary of China Merchants Group. As of the end of the Reporting Period, China Merchants Group through its subsidiaries (including China Merchants Steam Navigation Company Limited, China Merchants Holdings (Hong Kong) Company Limited, China Merchants Industry Holdings Company Limited, Soares Limited and China Merchants (CIMC) Investment Limited) held 24.49% of the issued shares of the Company and was the second largest shareholder of the Company.

Apart from above two entities, no other legal person or individual holds shares representing 10% or more of the total issued shares of the Company (excluding HKSCC Nominees Limited).

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CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

V. CHART OF SHAREHOLDING STRUCTURE BETWEEN THE COMPANY AND THE SUBSTANTIAL SHAREHOLDERS AS AT THE END OF THE REPORTING PERIOD



VI. SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date, based on the public information available to the Company and as far as the Board of the Company are aware, the Directors confirm that, the Company has satisfied relevant provisions of the minimum public float under the Hong Kong Listing Rules.

VII. RELEVANT INFORMATION ABOUT PREFERRED SHARES

There were no preferred shares in the Company during the Reporting Period.

VIII. CONVERTIBLE CORPORATE BONDS

There were no convertible corporate bonds in the Company during the Reporting Period.

CHAPTER X

INFORMATION ON DIRECTORS, SUPERVISORS,
SENIOR MANAGEMENT AND EMPLOYEESI. BRIEF BIOGRAPHY OF THE DIRECTORS, SUPERVISORS AND SENIOR
MANAGEMENT

1. Directors

As at 31 December 2020, information on the current Directors is set out below:

Name	Gender	Age	Position	Term	Number of shares held in the Company (shares)	
					31 December 2020	31 December 2019
Mai Boliang	M	61	Chairman, Executive Director and CEO	from 27 August 2020 to 2021 annual general meeting from 3 June 2019 to 2021 annual general meeting from 27 March 2019 to 2022 annual Board meeting	593,643 (A Shares)	593,643 (A Shares)
Hu Xianfu	M	51	Vice chairman and Non- executive Director	from 9 October 2020 to 2021 annual general meeting from 3 June 2019 to 2021 annual general meeting	Nil	Nil
Liu Chong (Note 2)	M	50	Vice chairman and non- executive Director	from 3 June 2019 to 2021 annual general meeting	Nil	Nil
Ming Dong	M	49	Non-executive Director	from 3 June 2019 to 2021 annual general meeting	Nil	Nil
Deng Weidong	M	53	Non-executive Director	from 9 October 2020 to 2021 annual general meeting	Nil	Nil
Gao Xiang (Note 2)	M	55	Executive Director and President	from 9 October 2020 to 2021 annual general meeting from 27 August 2020 to 2023 half-year board meeting	Nil	Nil
He Jiale	M	66	Independent non-executive Director	from 3 June 2019 to 2021 annual general meeting	Nil	Nil
Pan Zhengqi	M	67	Independent non-executive Director	from 3 June 2019 to 2021 annual general meeting	Nil	Nil
Lui Fung Mei Yee, Mabel	F	69	Independent non-executive Director	from 3 June 2019 to 2021 annual general meeting	Nil	Nil

Note 1: On 27 August 2020, Mr. WANG Hong resigned from the position of Chairman and non-executive Director of the Company and all the positions in the committees of the Board due to the change in work arrangement.

Note 2: On 9 March 2021, Mr. LIU Chong resigned from the positions of director, vice-chairman and the member of the Strategy Committee of the Board of the Company due to the change in job assignments. Mr. LIU Chong will not take any position in the Company upon his resignation of the aforesaid positions. On the same day, Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments. Mr. GAO Xiang's position as the president of the Company and other positions in the subsidiaries of the Company remain unchanged upon his resignation of the aforesaid position.

CHAPTER X INFORMATION ON DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Brief biography of Directors:

Mr. Mai Boliang (麥伯良), aged 61, has been the president of the Company since 7 March 1994, Chairman and CEO of the Company since 27 August 2015, an executive Director of the Company since 8 March 1994 and Chairman of the Company since 27 August 2020, current president and a non-executive director of CIMC Vehicles. Mr. Mai joined the Company in 1982 and served as manager of production technical department and the deputy manager. Mr. Mai graduated from mechanical engineering of South China University of Technology in July 1982 with a bachelor degree. Mr. Mai is the honorary president of the China Container Industry Association and the president of Shenzhen Association for Listed Companies.

Mr. Hu Xianfu (胡賢甫), aged 51, ethnic Han from Tongcheng, Anhui province, born in October 1969. He graduated from the department of engineering management of Wuhan University of Water Transportation Engineering, with a degree in finance and accounting in June 1992 and started his career in September 1992. Mr. Hu obtained his master's degree in business administration (MBA) from Shanghai University of Finance and Economics in May 2009. His major work experience is as follows: He was assigned to China Merchants Group Guangzhou office after graduation from July 1992 to June 1996, later despatched to Shekou Haihong Chemical Company (蛇口海虹化工公司) for internship, and then transferred to the representative group of finance department of China Merchants Group in Shekou since 1994. From September 1996 to October 2005, he was despatched to China Merchants Development Co., Ltd. (招商局發展有限公司), which was merged and restructured as China Merchants Industry Holdings Co., Ltd., serving successively as financial manager of China Merchants Heavy Industry, deputy manager and manager of the finance department of China Merchants Industry Holdings. He acted as chief financial officer of Yiu Lian Dockyards (Shekou) Limited and China Merchants Heavy Industry (Shenzhen) Co., Ltd. from October 2005 to January 2011, deputy general manager and chief financial officer of Yiu Lian Dockyards (Shekou) Limited and China Merchants Heavy Industry (Shenzhen) Co., Ltd. from February 2011 to April 2015, and deputy general manager and chief financial officer of China Merchants Industry Holdings Co., Ltd. from April 2015 to November 2017. He is serving as general manager of China Merchants Industry Holdings Co., Ltd. since November 2017.

Mr. Liu Chong (劉冲), aged 50, is an executive Director and the general manager of COSCO SHIPPING Development Co., Ltd., a non-executive director of China Everbright Bank Company Limited (listed on the Hong Kong Stock Exchange under the stock code of 6818 and listed on the Shanghai Stock Exchange under the stock code of 601818), and a non-executive director of China Cinda Asset Management Co., Ltd. (listed on the Hong Kong Stock Exchange under the stock code of 1359). Mr. Liu Chong served as the deputy general manager of China Shipping Investment Co., Ltd., the deputy general manager of China Shipping Logistics Co., Ltd., the chief accountant of China Shipping (Hainan) Haisheng Shipping Co., Ltd., the head of the capital management division of China Shipping (Group) Company, the chief accountant of China Shipping Container Lines Co., Ltd., and the general manager of China Shipping Investment Co., Ltd. Mr. Liu graduated from Sun Yat-sen University majoring in economics, and is a senior accountant.

Mr. Ming Dong (明東), aged 49, is the deputy general manager and a member of the Party committee of COSCO SHIPPING Development Co., Ltd. Mr. Ming Dong began his career in 1994, and consecutively worked in COSCO Finance Company Limited, the asset operation centre, president affairs department and capital operation department of China Ocean Shipping (Group) Company and the Company. He served as the general manager of the investor relations division and the securities affairs representative of China COSCO Shipping from July 2005 to December 2008, and the general manager of the securities affairs division of China Ocean Shipping (Group) Company and China COSCO Shipping from January 2009 to February 2016, and has been the deputy general manager and a member of the Party committee of COSCO SHIPPING Development Co., Ltd. since March 2016. Mr. Ming graduated from the Central University of Finance and Economics majoring in international finance and investment economics, and obtained a master's degree in economics. He is a senior economist.

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Mr. Deng Weidong (鄧偉棟), aged 53, is serving as the director of the capital management department of China Merchants Group. He graduated from Nanjing University with a PhD of Physical Geography in 1994. He has vast experience in port management and port operation. He worked in Administration Bureau of Hainan Yangpu Economic Development Zone, and successively served as the general manager of Business Development Department of China Nanshan Development (Group) Incorporation, the deputy general manager of Chiwan Container Terminal Co., Ltd. and the general manager of Shenzhen Mawan Port Services Co., Ltd. After joining China Merchants Holdings (International) Company Limited (renamed as China Merchants Port Holdings Company Limited in 2016) in July 2009, he served as the deputy general manager of China Merchants Holdings (International) Company Limited; he is serving as the director of the capital management department of China Merchants Group since February 2015. He has been the director of China Merchants Property Operation & Service Co., Ltd. (stock code: 001914) since December 2019 and the director of SF Holding since April 2019. Mr. Deng has been an executive director and general manager of Sinomarine Limited since February 2021.

Mr. Gao Xiang (高翔), aged 55, has been an executive director of the Company since 9 October 2020 and has been the President of the Company since 27 August 2020. Mr. Gao has been a vice president of the Company since 1 April 2015 and executive vice president of the Company since 27 March 2018. Mr. Gao graduated from Tianjin University majoring in marine and shipbuilding engineering. He is also a senior engineer. Mr. Gao acted as the general manager of Tianjin CIMC North Ocean Container Co., Ltd., Tianjin CIMC Containers Co., Ltd., Tianjin CIMC Logistics Equipments Co., Ltd., Tianjin CIMC Vehicles Logistics Equipments Co., Ltd. and Tianjin CIMC Special Vehicles Co., Ltd., respectively, from 1999 to 2008. He worked as the assistant to the president of CIMC from 2004 to 2008. He served as the executive director and general manager of CIMC Enric Holdings Limited in 2009 and then the chairman of this company since 1 April 2015. Mr. Gao is also the chairman of certain subsidiaries of CIMC Enric Holdings Limited.

Mr. He Jiale (何家樂), aged 66, has served as the director of the finance department and the deputy general manager of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited) from October 1994 to December 1997; the chief accountant of COSCO Container Lines Co., Ltd. (currently known as COSCO Shipping Lines Co. Ltd.) from January 1998 to September 2003; the chief financial officer of COSCO (Hong Kong) Group Limited (currently known as COSCO SHIPPING (Hong Kong) Co., Ltd.) from October 2003 to November 2005, and as its director and chief financial officer from February 2012 to November 2015; an executive director of COSCO International Holdings Limited (currently known as COSCO SHIPPING International (Hong Kong) Co., Ltd., listed on the Hong Kong Stock Exchange under the stock code of 00517) from November 2003 to January 2006 and from April 2012 to December 2015; the chief financial officer of China COSCO Holdings Company Limited (currently known as COSCO SHIPPING Holdings Co., Ltd., listed on the Hong Kong Stock Exchange under the stock code of 01919 and listed on the Shanghai Stock Exchange under the stock code of 601919) from November 2005 to January 2012; a non-executive director of Chong Hing Bank Limited (listed on the Hong Kong Stock Exchange under the stock code of 01111) from May 2012 to February 2014; an executive director of COSCO Pacific Limited (currently known as COSCO SHIPPING Ports Limited, listed on the Hong Kong Stock Exchange under the stock code of 01199) from November 2003 to June 2005 and from January 2009 to March 2013; and a supervisor of China International Marine Containers (Group) Co., Ltd. (listed on the Hong Kong Stock Exchange under the stock code of 02039 and listed on the Shenzhen Stock Exchange under the stock code of 000039) from September 2013 to May 2016. Mr. He has been appointed as an independent non-executive director of Qilu Expressway Company Limited (listed on the Hong Kong Stock Exchange under the stock code of 01576) since 28 December 2018 and an independent director of Zhonggu Logistics Co., Ltd. (stock code: 603535). Mr. He graduated from the postgraduate studies of International Business, Management Science and Engineering from Shanghai University, and is a senior accountant.

CHAPTER X

INFORMATION ON DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Pan Zhengqi (潘正啟), aged 67, holds a master degree and the qualifications of senior economist. Mr. Pan successively served as seaman, secretary of Party Committee Office, section head, deputy director, director, manager of Enterprise Planning Division and concurrently director and secretary of Party Committee of No. 2 Ship Management Division and No. 4 Ship Management Division in Shanghai Ocean Shipping Company. He served as deputy general manager in Qingdao Ocean Shipping Company and concurrently general manager and secretary of Party Committee of Lianyungang Ocean Shipping Company; deputy general manager of COSCO Asia Company. He served as general manager of COSCO Asia Company and concurrently general manager of COSCO International City Development Company; vice president of COSCO Australia Company and concurrently general manager of COSCO New Zealand Company; party committee secretary of Shenzhen Ocean Shipping Company; party committee secretary and deputy general manager of COSCO Hong Kong Shipping Company/Shenzhen Ocean Shipping Co., Ltd.

Ms. Lui Fung Mei Yee, Mabel (呂馮美儀), aged 69, Justice of the Peace of Hong Kong. She holds a master degree in law from the University of Hong Kong. She is currently the senior executive consultant and head of Greater China Commercial Practice of Withers. She is also a non-executive director of Magnificent Hotel Investments Limited (Hong Kong stock code: 201), Shun Ho Property Investments Limited (Hong Kong stock code: 219) and Shun Ho Holdings Limited (Hong Kong stock code: 253). She is admitted to practice laws in Hong Kong, Singapore, New York State of the United States, England and Wales, and Victoria, Australia. She is a Notary Public (Hong Kong) authorized by China and a Notary Public. She was a member of the Disciplinary Panel of the Hong Kong Institute of Certified Public Accountants, a member of the HKSAR Administrative Appeals Board and a member of the HKSAR Deposit Protection Appeals Tribunal. She has more than 40 years of experience in advising clients on China-related business matters. She has extensive experience in transactional work in Hong Kong and China, with a focus on cross-border and international mergers and acquisitions and investment of diverse.

2. Supervisors

As at 31 December 2020, information on the current Supervisors is set out below:

Name	Gender	Age	Position	Term	Number of shares held in the Company (shares)	
					31 December 2020	31 December 2019
Lin Feng (Note 1)	M	45	Chairman of the Supervisory Committee	from 3 June 2019 to 2021 annual general meeting	0	0
Lou Dongyang	M	45	Supervisor	from 3 June 2019 to 2021 annual general meeting	0	0
Xiong Bo	M	61	Supervisor	from 3 June 2019 to the general staff meeting dated 2 June 2022	0	0

Note 1: On 9 March 2021, Mr. Lin Feng tendered his resignation letter to resign from the positions of chairman of the Supervisory Committee and the supervisor representing shareholder of the Company due to the change in work arrangement. Mr. Lin will not take any position in the Company upon his resignation of the aforesaid positions. Mr. Lin's resignation resulted in the total number of supervisors of the Company falling below the minimum quorum; therefore, Mr. Lin's resignation would not come into effect until a new supervisor is elected at the Company's general meeting to fill the vacancy. Mr. Lin shall continue to fulfill the duties of supervisor before his resignation takes effect.

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Brief biography of the Supervisors:

Mr. Lin Feng (林鋒), aged 45, ethnic Han. From July 1997 to December 2007, Mr. Lin served as a financial officer of the branch office of Shanghai Haixing Freight Co., Ltd. (上海海興貨運有限公司) and the deputy chief financial officer and the chief financial officer of the finance department in Shanghai of China Shipping Bulk Carrier Co., Ltd. (中海散貨運輸有限公司). He served as the deputy director and director of the planning department and the budget management department of China Shipping (Group) Company (中國海運(集團)總公司) (currently known as China Shipping Group Company Limited (中國海運集團有限公司)) from January 2008 to January 2014. From January 2014 to August 2018, Mr. Lin served as the chief accountant and the deputy general manager of COSCO SHIPPING Financial Holdings Co., Ltd. (中遠海運金融控股有限公司) (formerly known as China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司)). He has been the chief accountant of COSCO SHIPPING Development Co., Ltd. from September 2018. Mr. Lin graduated from Shanghai School of Agriculture (上海農學院) (currently known as Shanghai Jiao Tong University School of Agriculture and Biology (上海交通大學農業與生物學院)) with a bachelor's degree in Economics in the currency banking major and holds the title of accountant.

Mr. Lou Dongyang (婁東陽), aged 45, is currently the chief financial officer of China Merchants Industry Holdings Co., Ltd. Mr. Lou has served as an assistant engineer in the Chemical Engineering Office of the Institute of Standardization of Nuclear Industry and as secretary-general for the National Technical Committee for Standardization of Radioisotopes from July 1997 to October 2001, as an engineer in the financial planning department in China Isotope Company from October 2001 to August 2003, as a specialist of the supervisory committee for key large state-owned enterprises under the State Council from August 2003 to August 2004, as deputy director of the supervisory committee for key large state-owned enterprises under the State Council from September 2008 to September 2012, as the assistant to the department director of the intellectual property administrative department of China Merchants Group from September 2012 to May 2015, as the assistant to the department director of the finance department (intellectual property department) of China Merchants Group from May 2015 to October 2015, and as the deputy general manager of the finance department (intellectual property department) of China Merchants Group from October 2015 to November 2017. Since December 2017, he has been the chief financial officer of China Merchants Industry Holdings Co., Ltd. Mr. Lou is also a director of CMIC Ocean En-Tech, and hold multiple positions of director and supervisor of several subsidiaries of China Merchants Group. Mr. Lou obtained a Bachelor's degree in Applied Chemistry from Peking University in 1997 and a Master's degree in Business Administration also from the same university in 2002.

Mr. Xiong Bo (熊波), aged 61, joined the Company in 1991. He currently serves as the tax manager of Finance Management Department of the Company. Mr. Xiong has been the chairman of the Labour Union of the Company since 1996. He graduated from Heilongjiang Radio and TV University in 1982 with major in electronics and received an associate bachelor's degree.

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3. Senior Management

As at 31 December 2020, information on current members of the senior management is set out below:

Name	Gender	Age	Position	Term	Number of shares held in the Company (shares)	
					31 December 2020	31 December 2019
Mai Boliang	M	61	CEO	from 27 March 2019 to 2022 annual Board meeting	593,643 (A Shares)	593,643 (A Shares)
Gao Xiang	M	55	President	from 27 August 2020 to 2023 half-year board meeting	0	0
Li Yinhui	M	53	Vice President	from 27 March 2019 to 2022 annual Board meeting	0	0
Huang Tianhua	M	57	Vice President	from 27 March 2018 to 2021 annual Board meeting	540,000 (A Shares)	540,000 (A Shares)
Yu Yuqun	M	55	Vice President, Secretary to the Board, Company	from 27 March 2018 to 2021 annual Board meeting from 27 March 2019 to 2022 annual Board meeting	0	0
Zeng Han	M	45	Chief financial officer	from 26 March 2020 to 2023 annual Board meeting	0	0

Brief biography of the senior management:

Mr. Mai Boliang (麥伯良), is the Chairman, executive Director and CEO of the Company. For details of Mr. Mai Boliang, please refer to “1. Directors” of “Brief Biography of the Directors, Supervisors and Senior Management” in this Chapter.

Mr. Gao Xiang (高翔), is an executive Director and president of the Company. For details of Mr. Gao Xiang, please refer to “1. Directors” of “Brief Biography of the Directors, Supervisors and Senior Management” in this Chapter.

Mr. Li Yinhui (李胤輝), aged 53, has been a vice president of the Company since March 2004. He has been the chairman or director of a number of subsidiaries of the Company since 2004. He worked with us as part-time vice president from October 2002 to October 2003. Mr. Li worked in Ministry of Commerce from March 2003. Between May 1993 and March 2003, he worked in State Commission of Foreign Trade and Economic Cooperation. Prior to that, Mr. Li worked in Central Committee of Chinese Communist Youth League. He received his bachelor degree in history from Jilin University in July 1991, an MBA degree from School of Business in Nanjing University in December 1997 and Ph.D. in economics from Jilin University in June 2001. Mr. Li successfully completed a three years’ research at the postdoctoral centre of China Centre for International Economic Exchanges in September 2016.

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Mr. Huang Tianhua (黃田化), aged 57, the vice president of the Company from 27 March 2018. Mr. Huang graduated from Dalian Jiaotong University (formerly Dalian Railway College) majoring welding technique and engineering. He started his career in August 1984 and joined CIMC in March 1988. Mr. Huang served as an engineer in Shenzhen Southern CIMC Containers Manufacture Co., Ltd. from March 1988 to 1995 and assistant to the general manager of Shanghai CIMC Reefer Container from 1995 to 1999. From 1999, he has subsequently served as general manager of various companies including CIMC Cold Chain Investment, Qingdao CIMC Reefer Container (QCRC), Qingdao CIMC Special Reefer (QCSC), Qingdao Refrigeration Transport Equipment (QCTC), Shanghai CIMC Reefer Containers (SCRC), CIMC Taicang Refrigeration Equipment (TCRC) and CIMC Refrigerated Car North America (CRTI) and the vice president of CIMC Vehicles (Group). From 2012 to March 2018, he served as assistant to the president of CIMC. From 2012 to present, he has served as deputy general manager of CIMC Container Holding Co., Ltd. and the chairman of various companies of which Container Holding is a subsidiary, as well as the chairman of numerous entrepreneurial subsidiaries of CIMC, including CIMC Wood, CIMC E-Commerce, CIMC Multimodal Transport and CIMC Tongchuang. In addition, Mr. Huang has served as the president of the China Federation of Logistics & Purchasing Cold Chain Logistics Committee since 2010, the deputy executive director of the China Container Industry Association since 2014, and member of the Shenzhen CPPC, member and vice secretary general of the National Standardization Technical Committee since 2015. He served as the deputy general manager of CIMC Container Holding Co., Ltd. From 2012 to 2020, he served as the deputy general manager of CIMC Container Holding Co., Ltd., and the executive deputy general manager from April 2020, and the president from February 2021. He is also the chairman of various companies of which Container Holding is a subsidiary, and the chairman of numerous enterprises under CIMC Technology Holdings (中集技術控股), including Beijing Jingxin Xiangneng and CIMC Chuangying (中集創贏). In addition, Mr. Huang also fulfills a number of social responsibilities, serving as the director of the China Container Industry Association, the president of the China Federation of Logistics & Purchasing Cold Chain Logistics Committee, and a member of Shenzhen Political Consultative Committee.

Mr. Yu Yuqun (于玉群), aged 55, has been the secretary to the Board of the Company since March 2004 and has been the Company Secretary since 25 October 2012 and the vice president of the Company from 27 March 2018. He joined the Company in 1992 and subsequently worked as deputy manager, manager of Financial Affairs Department and manager of the office of secretary to the Board, responsible for shareholder relationship, investor relationship and fund management. Mr. Yu has been appointed as an executive director of CIMC Enric (Hong Kong stock code: 3899) since September 2007 and was re-designated as a non-executive director in 5 September 2016. He was a non-executive director of TSC Group Holdings Limited (currently referred as CMIC Ocean En-Tech and whose shares are listed on the Main Board of the Hong Kong Stock Exchange), a non-executive director of CIMC TianDa and Pteris Global Limited, and is currently the chairman and director of several subsidiaries of the Company. Mr. Yu is the member of Appeal and Review Committee of the Shenzhen Stock Exchange. From July 1987 to October 1989, he worked in the State Price Control Bureau. Mr. Yu graduated from Beijing University and obtained a bachelor's degree in economics in July 1987 and a master's degree in economics in July 1992.

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Mr. Zeng Han (曾邗), aged 45, born in 1975, has been the Chief Financial Officer of the Company since 26 March 2020. He had been the general manager of the former financial department of the Company since March 2017, and has been the general manager of the financial department of the Company formed by the merger of the former financial department and capital management department since January 2018. Mr. Zeng joined the Company in 1999, and has successively served as the manager of the accounting division of the financial department and an assistant to the general manager, a deputy general manager and the executive deputy general manager of the financial department. He also held a concurrent post as the manager of the financial department of CIMC Enric (Hong Kong stock code: 3899) from 2009 to 2010. Since 2015, he has consecutively been appointed as a director of a number of subsidiaries under the Group including CIMC Container Holding Co., Ltd., CIMC Enric, Yantai CMIC Raffles Offshore Ltd., CIMC-TianDa Holdings Company Limited, CIMC Financial Leasing Co., Ltd. and Shenzhen CIMC Chancheng Development Co., Ltd., and held concurrent posts as the chairman of CIMC Investment Co., Ltd., CIMC Modern Logistics Development Co., Ltd. and CIMC Capital (Holdings) Company Limited, the general manager of Shenzhen Southern CIMC Containers Manufacture Co., Ltd. and the general manager of the financial informatization project department of the CIMC. Mr. Zeng graduated from Hangzhou Institute of Electronic Engineering with a bachelor's degree in economics in July 1996, and later graduated from Jiangsu University of Science and Technology with a master's degree in management in June 1999. Mr. Zeng is a certified public accountant in China.

Save as disclosed above, all directors, supervisors, senior management and substantial shareholders have no financial, business, family or other significant/related relationships with other directors, supervisors, senior management and substantial shareholders.

II. CHANGES IN SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Status	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of the Reporting Period (shares)	Increase in the number of shares held during the Reporting Period (shares)	Decrease in the number of shares held during the Reporting Period (shares)	Other movement (shares)	Number of shares held at the end of the Reporting Period (shares)
Mai Boliang	Chairman, executive director and CEO	Current	M	61	7 March 1994	to 2022 annual Board meeting	593,643 (A Shares)	0	0	0	593,643 (A Shares)
Huang Tianhua	Vice president	Current	M	57	27 March 2018	to 2021 annual Board meeting	540,000 (A Shares)	0	0	0	540,000 (A Shares)

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III. INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ASSOCIATED CORPORATION THEREOF

As at 31 December 2020, the interests or short positions held by the Directors, Supervisors and chief executives of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) pursuant to Part XV of the SFO which are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or Supervisors of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the Hong Kong Stock Exchange in accordance with the Model Code contained in Appendix 10 of the Hong Kong Listing Rules, was as follows:

1. Interest in the Shares of the Company

Name	Nature of interest	Number of shares (shares)	Type of the shares
Mai Boliang	Beneficial interest	593,643	A Shares

2. Interest in the Underlying Shares of the Company

For details of the interests in the underlying shares of the Company held by any Director, Supervisor and chief executive of the Company as at 31 December 2020, please refer to "XV. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures" of "Chapter VIII Significant Events" in this Report.

3. Interest in the Associated Corporation of the Company

Name	Name of associated corporation	Nature of interest	Number of Shares (shares)
Mai Boliang	CIMC Enric	Beneficial interest	7,260,000 (ordinary share)

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IV. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position	Type	Date	Reasons
Wang Hong	Chairman	Retirement	27 August 2020	Realignment of work duties
Mai Boliang	Chairman	Appointment	27 August 2020	Appointment from a former director to the Chairman
Deng Weidong	Non-executive Director	Appointment	9 October 2020	Appointment
Hu Xianfu	Vice chairman	Appointment	9 October 2020	Appointment from a former director to vice chairman
Gao Xiang	Executive Director and President	Appointment	9 October 2020; 27 August 2020	Appointment

V. JOB STATUS OF CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the professional background and major working experience of current Directors, Supervisors and Senior Management and their main responsibility in the Company, please refer to "I. Brief Biography of the Directors, Supervisors and Senior Management" in this Chapter.

1. Job Status in Shareholders' Company

Name	Name of Shareholders' company	Position in Shareholders' company	Start of term of office	End of term of office	With compensation allowance from Shareholders' company or not
Liu Chong	COSCO SHIPPING Development Co., Ltd.	Director, General manager	March 2016	-	Yes
Hu Xianfu	China Merchants Industry Holdings Limited	General manager	November 2017	-	Yes
Deng Weidong	China Merchants Group Limited	Director of the capital management department	February 2015	-	Yes
Ming Dong	COSCO SHIPPING Development Co., Ltd.	Deputy general manager, Member of CPC Committee	March 2016	-	Yes
Lin Feng	COSCO SHIPPING Development Co., Ltd.	Chief accountant	August 2018	-	Yes
Lou Dongyang	China Merchants Industry Holdings Limited	Chief financial officer	December 2017	-	Yes

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2. Job Status in Other Companies

Name	Name of other company	Position in other company	Start of term of office	End of term of office	With compensation allowance from other company or not
Deng Weidong	China Merchants Energy Shipping Co., Ltd.	Director	April 2019	-	No
	S.F. Holding Co., Ltd.	Director	April 2019	-	No
	China Merchants Property Operation and Service Co., Ltd.	Director	December 2019	-	No
He Jiale	Qilu Expressway Company Limited	Independent director	December 2018	-	-
	Zhonggu Logistics Co., Ltd.	Independent director	December 2017	-	-
Lui Fung Mei Yee, Mabel	Magnificent Hotel Investments Limited	Non-executive Director	-	-	-
	Shun Ho Property Investments Limited	Non-executive Director	-	-	-
	Shun Ho Holdings Limited	Non-executive Director	-	-	-
Liu Chong	Cinda Asset Management Co., Ltd.	Director	August 2017	-	No
	China Everbright Bank Co., Ltd.	Director	December 2019	-	No
Ming Dong	Kunlun Bank Co., Ltd.	Director	February 2017	-	No
	Shanghai Life Insurance Co., Ltd.	Director	July 2019	-	No
	Strait Energy (Beijing) Intercontinental Investment Company Ltd.	Director	March 2018	-	No
	Industrial Fund Management Co., Ltd.	Director	June 2017	-	No

Penalties on the current and resigned Directors, Supervisors and Senior Management of the Company during the Reporting Period by the securities regulatory authority for the recent three years

Applicable Not Applicable

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VI. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Decision-making Process, Basis for Determination and Actual Payment of Remuneration of Directors, Supervisors and Senior Management

In accordance with the provisions of the Articles of Association, remuneration of the Company's Directors and Supervisors shall be determined by the General Meeting, while remuneration of the Senior Management shall be determined by the Board. During the Reporting Period, the Directors (apart from independent non-executive Directors) and Supervisors of the Company shall not receive remuneration due to holding the relevant positions of directors and supervisors. Senior Management shall receive remuneration from the Company or its subsidiaries. The Company has established complete salary system and remuneration regulations, and the Company adopts annual salary system. The Board of the Company shall pay remuneration to the Senior Management according to the "Regulations for Annual Performance Assessment and Incentive for the Personnel Employed by the CIMC Board".

Upon consideration and approval of the Board and the General Meeting, the independent non-executive Director was awarded with RMB240,000 per year as independent directors allowance during the Reporting Period. In addition, independent Directors did not receive other remuneration during the Reporting Period. The staff representative Supervisor Mr. Xiong Bo received remuneration from the Company due to the other position he held at the Company.

The details of remuneration (pre-tax) of current Directors, Supervisors and Senior Management are described in the following remuneration table for Directors, Supervisors and Senior Management.

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2. Remuneration of Directors, Supervisors and Senior Management during the Reporting Period

Unit: RMB thousand

Name	Position	Gender	Age	Status	Total remuneration before tax from the Company	Remuneration Received from related parties of the Company
Wang Hong	Chairman and non-executive Director	M	58	Retirement	-	-
Mai Boliang (Note 1)	Chairman, executive Director and CEO	M	61	Current	10,062	-
Hu Xianfu	Vice chairman and non-executive Director	M	51	Current	-	-
Liu Chong (Note 4)	Vice chairman and non-executive Director	M	50	Current	-	-
Ming Dong	Non-executive Director	M	49	Current	-	-
Deng Weidong	Non-executive Director	M	53	Current	-	-
Gao Xiang (Note 2)	Executive director and president	M	55	Current	4,072	-
He Jiale	Independent non-executive Director	M	66	Current	240	-
Pan Zhengqi	Independent non-executive Director	M	67	Current	240	-
Lui Fung Mei Yee, Mabel	Independent non-executive Director	F	69	Current	240	-
Lin Feng	Chairman of the Supervisory Committee	M	45	Current	-	-
Lou Dongyang	Supervisor	M	45	Current	-	-
Xiong Bo (Note 3)	Supervisor	M	61	Current	463	-
Li Yinhui	Vice president	M	53	Current	2,736	-
Huang Tianhua	Vice president	M	57	Current	4,552	-
Yu Yuqun	Vice president and Secretary to the Board	M	55	Current	3,743	-
Zeng Han	Chief Financial Officer	M	45	Current	3,479	-
Total					29,827	-

Note 1: As the Chairman of the Company, Mr. Mai Boliang has received the remuneration from the Company due to his position of CEO in the Company.

Note 2: On 9 October 2020, Mr. Gao Xiang was appointed as a director of the Company. Mr. Gao Xiang, as a non-executive director of the Company, received remuneration from the Company due to his position as the President of the Company. On 9 March 2021, Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments. Mr. GAO Xiang's position as the president of the Company and other positions in the subsidiaries of the Company remain unchanged upon his resignation of the aforesaid position.

Note 3: Mr. Xiong Bo received remuneration from the Company due to the other position he held at the Company apart from his position as Supervisor.

Note 4: On 9 March 2021, Mr. LIU Chong resigned from the positions of director of the Company due to the change in job assignments. Mr. LIU Chong will not take any position in the Company upon his resignation of the aforesaid positions.

There are no arrangements by which the Directors of the Company waived any remuneration during the Reporting Period. For details of the top five highest paid employees of the Group in 2020, please refer to Note VIII.5 under "Chapter XIV Financial Statements Prepared in accordance with CASBE" of this report.

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3. Options Granted to Directors, Supervisors and Senior Management during the Reporting Period

For details of the A Share(s) Share Option Incentive Scheme of the Company during the Reporting Period, please refer to “1. A Share(s) Share Option Incentive Scheme of the Company” under “XV. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VIII Significant Events” in this Report. Based on the review and confirmation of China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the Company has completed all procedures related to the said cancellation of share options on 19 November 2020.

For details of the Employee Stock Ownership Plan of the Company during the Reporting Period, please refer to “2. Summary of Employee Stock Ownership Plan of the Company” under “XV. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VIII Significant Events” in this Report.

4. Remuneration Policy of the Senior Management

The remuneration policy of the Senior Management of the Company shall be subject to the “Regulations for Annual Performance Assessment and Incentive for the Personnel Employed by the CIMC Board”. The Company’s senior management remuneration policy links financial interests of the senior management with the Group’s operating results and the performance of its shares in the market.

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VII. EMPLOYEES OF THE COMPANY

1. Number of Domestic Employees, Professional Composition and Education Background

Number of in-service employees of the Company	296
Number of in-service employees of principal subsidiaries	50,804
Total number of in-service employees	51,100
Total number of employees who received salaries during the Reporting Period	51,100
Number of retired employees whose expense should be assumed by the Company and principal subsidiaries	170

Professional composition		Education background	
Professional composition	Number of employees	Education degree	Number of employees
Production personnel	33,004	PHD	36
Sales personnel	2,512	Master	1,467
Technical personnel	9,110	Bachelor	11,000
Financial personnel	1,193	College	9,638
Administration personnel	5,281	Senior high school and below	28,959
Total	51,100	Total	51,100

2. Remuneration Policies

For details of the Company's remuneration policies, please refer to "Employees and Remuneration Policies" of "Chapter VI Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Regulatory Rules" in this Report.

3. Training Programme

The Group sticks to its core cultural philosophy of "people-oriented and mutual business" and constantly develops talents for the industry through building a talent training system with CIMC characteristics. The multilevel and composite talent training system of the Group includes new employees training, general skills training, professional training, leadership training programme and international talent training programme.

4. Labour Outsourcing

Applicable Not Applicable

CHAPTER XI

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

The Company has prepared the “Corporate Governance Work Report” and the “Corporate Governance Report” in accordance with different requirements in form and content of PRC securities regulatory authorities and the Hong Kong Listing Rules, respectively. To keep the presentation lucid and to avoid undue repetitions, a cross-referencing approach has been adopted.

PART I: CORPORATE GOVERNANCE WORK REPORT (PREPARED IN ACCORDANCE WITH PRC SECURITIES REGULATORY REQUIREMENTS)

1. SITUATION OF CORPORATE GOVERNANCE

During the Reporting Period, the Company continued to enhance and improve the Company’s corporate governance and standardised operation in strict compliance with the requirements of laws and regulations including the PRC Company Law, Corporate Governance Guidelines for Listed Companies, Guidance Opinion on Establishing a System of Independent Directors in Listed Companies, Rules of General Meetings of Listed Companies and Guidelines on the Articles of Association of Listed Companies as well as the requirements of the Listing Rules. At the 2019 annual general meeting of the Company, the Resolution Regarding the Amendment to the Articles of Association of China International Marine Containers (Group) Co., Ltd. and the Amendment to the Resolution Regarding the Amendment to the Rules of Procedure for the General Meeting of China International Marine Containers (Group) Co., Ltd. were considered and approved. At the first extraordinary general meeting for 2020, the Resolution Regarding the Amendment to the Articles of Association of China International Marine Containers (Group) Co., Ltd., the Amendment to the Resolution Regarding the Amendment to the Rules of Procedure for the General Meeting of China International Marine Containers (Group) Co., Ltd., the Amendment to the Rules of Procedure for the Board of Directors of China International Marine Containers (Group) Co., Ltd., the Amendment to the Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd. were considered and approved. At the 8th meeting of the 9th session of the Board in 2020, Insider Registration and Management System and Information Disclosure Management System were considered and approved. At the 12th meeting of the 9th session of the Board in 2020, the Resolution Regarding the Amendment to the Implementation Rules of the Nomination Committee of China International Marine Containers (Group) Co., Ltd., the Resolution Regarding the Amendment to the Implementation Rules of the Strategic Development Committee of China International Marine Containers (Group) Co., Ltd., the Resolution Regarding the Amendment to the Work Rules of the CEO and President of China International Marine Containers (Group) Co., Ltd. were considered and approved. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-036, [CIMC]2020-067, [CIMC]2020-082) on 1 June 2020, 6 July 2020, 27 August 2020 and 9 October 2020, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The Company has established a corporate governance structure which is in line with the requirements of management of modern enterprise and ensures the full and balanced performance of all functions. In accordance with a series of rules and regulations of the Company such as the Rules of Procedure for Shareholders’ Meeting, the Rules of Procedure for Board, the Rules of Procedure for Supervisory Committee and the Working rules for the President, the Company implemented effective corporate governance by giving full play to the role of Board committees. The functions and responsibility of the general meeting, the Board and the Supervisory Committee were thus fully performed and balanced, which safeguarded the interests of the Shareholders and the Company effectively ensured the sustainable and healthy development of the Company. Focusing on major risks, the Group completed two special management projects to address major risks in pilot segments, issued a series of risk control guidelines, and promoted the organization of exams on “the performance of risk control by directors, supervisors and senior management” at all levels within the Group, in an effort to improve the risk control awareness and performance ability of core cadres.

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In accordance with standards for the corporate governance of listed companies issued by CSRC, CSRC Shenzhen Bureau, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, the Company positively and timely completed corporate governance rectification, special inspection and system establishment as required by relevant regulatory authorities. In 2020, the Company was awarded the China ESG “Golden Responsibility Award” by Sina Finance, the “Benefit Enterprise Future” Chinese Corporate Responsibility Outstanding Governance Award jointly presented by Shanghai Charity Foundation, Star TV and Bureau Veritas, and the 2020 China Benefit Corporation jointly presented by Atom Think Tank of Tencent, National School of Development at Peking University and Tencent Research Institute.

In 2020, the Company continued to place emphasis on and was committed to improving investor relations management. According to relevant laws and regulations such as the Company Law, the Securities Law, and the Manual for Investor Relations Management of Listed Companies and the requirements of the Articles of Association, the Company followed the principles of “full and compliance disclosure of information, equal opportunity for all investors, honesty and integrity, and interactive communication” throughout management of the investor relations. In the interests of medium and small investors, the Company adopted effective and convenient measures in daily work and settlement of major issues to strengthen all-around and effective communication with Shareholders and investors. Selective disclosure was avoided to ensure the interests of medium and small Shareholders in respect of obtaining corporate information in a fair and just manner. It earnestly conducted daily reception, patiently answered inquiries of investors through phone calls, participated in annual investment conferences and thematic meetings held by domestic and international securities brokers and conducted “one to one” or “one to many” communications with institutional investors. In respect of the newsworthy events or emergencies concerned by Shareholders and investors, the Company replied the online inquiries on the “Interaction Easy” and “Interactive Platform for Investor Relations” of the Shenzhen Stock Exchange to achieve timely, patient and objective communications with medium and small investors. In 2020, the Company received visits, researches and plant visits from various institutional investors of fund and investment companies, securities companies and individual investors of approximately 15 times in total. CIMC arranged for institutional investors such as securities brokers and funds to conduct field researches to the Company several times, enabling them to deeply understand the development of strategically emerging industries and new business expansion of the Company. Through demonstration of technological research results and development objectives of various business segments, the Company enabled its investors and Shareholders to further recognise their investment value, enhanced the confidence of its investors, safeguarded the rights to know of investors, strengthened the sense of belonging of Shareholders in the Company and created good Shareholders’ culture. Among them, on 8 December 2020, CIMC participated in the “2020 Online Investors Collective Reception Day of Listed Companies in Shenzhen” jointly organized by Shenzhen Listed Companies Association and Shenzhen Panorama Network Co., Ltd., responding to nearly 40 questions from small and medium-sized investors online. In addition, the Company held the Disclosure Meeting of Annual Results of 2019 at the end of March 2019 and Disclosure Meeting of Interim Results of 2020 at the end of August 2020 respectively, and provided live broadcast of the meetings to domestic investors through the live webcasting platform. Further, the Company distributed the contents of the official website of the Company through the mobile platform in a timely manner, with a view to enrich information sources for medium and small investors.

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Any significant difference between corporate governance and the standards of the normative documents regarding corporate governance of listed companies issued by the CSRC

Yes No

Formulation and implementation of registration and management system of insiders

The Company has established an Insider Registration and Management System according to various securities regulatory requirements. The above system, which specifies the scope of inside information and insiders, the approval, registration and filing system of inside information and confidentiality obligation, has become an important part of the Company's internal control system. In respect of implementation of inside information and insider management system, the Company carried out an effective supervision on internal circulation and disclosure of inside information in accordance with the various systems and requirements on a strict basis. Self-examination result shows that no insiders have used any inside information to trade the Company's shares before disclosure of major sensitive information affecting the Company's share price in 2020.

2. INDEPENDENCE OF THE COMPANY FROM ITS CONTROLLING SHAREHOLDERS IN RESPECT OF BUSINESS, PERSONNEL, ASSET, ORGANISATIONAL STRUCTURE AND FINANCE

The direct substantial Shareholders of the Company are Shenzhen Capital (Hong Kong) (its controlling shareholder is Shenzhen Capital Group) and China Merchants (CIMC) Investment (its controlling shareholder is China Merchants Group). The Company has an independent and complete business system and has the capacity for independent operation in the market. The Company is fully independent from its substantial Shareholders in respect of our business, personnel, asset, organisational structure and finance, and they independently proceed with audit and assume responsibilities and risks. (1) Business: The production system, purchase system, auxiliary production system and sales system of the Group are independent. The Company owns intangible assets such as industrial property, trademark, and non-patent technology independently. (2) Personnel: The labour, personnel and salary management institutions of the Company are independent. The system is complete. The Company and the substantial Shareholders do not share staff or senior management. All of the Company's senior management are paid by listed companies. The financial personnel of the Company do not hold any other positions in affiliated companies. (3) Assets: The property rights between the Company and the substantial Shareholders are clear, with complete procedures. The property rights are managed by the Company independently. The substantial Shareholders do not occupy or govern the assets of the Company nor interfere with its operational management of the assets. (4) Organisational structure: the Board, the Supervisory Committee and other internal institutions of the Company are complete and operate independently. The substantial Shareholders perform their rights according to the law and assume corresponding obligations without directly or indirectly interfering with the business activities of the Company by overstepping the general meeting. (5) Finance: The finance department, financial accounting system, financial management system and bank account of the Company are independent and pay taxes independently.

During the Reporting Period, the Company has not provided undisclosed information to the substantial Shareholders and the de facto controllers, and there was no other non-compliance governance problem.

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3. HORIZONTAL COMPETITIONS

Applicable Not Applicable

The direct Shareholders of the Company are Shenzhen Capital Group and Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. is a wholly-owned holding company of Shenzhen Capital Group. So far as the Company is aware, Shenzhen Capital Group and Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. is not engaged in any business related to the principal businesses of the Group, and there is no horizontal competition relationship between the Company and Shenzhen Capital Group and its subsidiaries.

China Merchants (CIMC) Investment, a direct Shareholder of the Company, is a wholly-owned subsidiary of China Merchants Industry Holdings and its de facto controller is China Merchants Group. So far as the Company is aware, China Merchants (CIMC) Investment is not engaged in any business related to the principal businesses of the Group, but horizontal competition relationship exists between the Company and other subsidiaries of China Merchants Group, namely, the offshore engineering business of the Group is the same or similar to that of the subsidiaries under China Merchants Group, which constitutes a horizontal competition relationship. The Company has tapped into the offshore engineering business market through acquisition of Yantai CMIC Raffles Offshore Ltd. and treats the offshore engineering business as one of the core businesses of the Company. Other than this, there is no horizontal competition relationship between the controlling Shareholder and the de facto controller of China Merchants (CIMC) Investment and the Group.

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4. RELEVANT SITUATIONS OF ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING CONVENED DURING THE REPORTING PERIOD

(1) General Meetings Convened during the Reporting Period

Session of meeting	Type of meeting	Proportion of investors' participation (note)	Date	Notice date	Disclosure date	Disclosure index
Annual general meeting for 2019	Annual general meeting	24.4327%	1 June 2020	16 April 2020	1 June 2020	
First extraordinary general meeting for 2020	Extraordinary general meeting	49.4945%	9 October 2020	16 September 2020	9 October 2020	www.cninfo.com.cn ; www.hkexnews.hk ; http://www.cimc.com/ .
First A Shareholders' class meeting for 2020	Extraordinary general meeting	35.4409%	1 June 2020	16 April 2020	1 June 2020	
First H Shareholders' class meeting for 2020	Extraordinary general meeting	16.2767%	1 June 2020	16 April 2020	1 June 2020	

Note: The proportion of investors' participation represents the shareholding proportion of the total share capital of the Company held by the participating investors.

(2) The Extraordinary General Meetings Requested by the Shareholders of Preference Shares who Regained the Voting Right

Applicable Not Applicable

5. THE DUTY PERFORMANCE OF THE INDEPENDENT DIRECTORS DURING THE REPORTING PERIOD

In 2020, the independent non-executive Directors of the Company were committed to strictly and diligently performing their duties in accordance with relevant domestic and overseas laws and regulations and the Articles of Association. During the Reporting Period, they reviewed the proposals and relevant documents presented by the Company and actively participated in the meetings of the Board and special committees of the Board. They expressed their views objectively and independently, protected the interests of the independent Shareholders and played a part in the balancing of decision-making process of the Board. Independent non-executive Directors reviewed regular reports of the Company diligently. They had discussions with external auditors in regular and special meetings before and after their year-end auditing works. Such meetings were held prior to the Board meetings. During the Reporting Period, the independent Directors of the Company did not object to any motions, resolutions and other matters discussed at the meetings of the Board.

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1. Independent Directors' Attendance to the Board Meetings and the General Meetings

Name of independent Director	Required number of Board meetings to attend during the Reporting Period	Independent Directors' Attendance to the Board Meetings			Absence	Not attending in person for two consecutive meetings
		Attendance in person	Attendance by means of telecommunication	Attendance by proxy		
He Jiale	20	2	18	0	0	No
Pan Chengwei	20	2	18	0	0	No
Lui Fung Mei Yee, Mabel	20	2	18	0	0	No
Times of attendance of independent Directors at the general meetings	Please refer to "(2) Attendance of the Directors at the general meetings" of "4. Shareholders and General Meetings" under "Part II: Corporate Governance Report (Prepared in accordance with the Requirements of the Hong Kong Listing Rules)" in this chapter for details.					

2. Independent Directors' Opposition to Relevant Proposals of the Company

During the Reporting Period, the independent Directors did not present any opposition to relevant proposals of the Company.

3. Other Descriptions to Duty Performance of Independent Directors

Nil

6. DUTY PERFORMANCE OF SPECIAL COMMITTEES OF THE BOARD DURING THE REPORTING PERIOD

The Board has set up five special committees, i.e. Audit Committee, Remuneration and Appraisal Committee, Strategic Development Committee, Nomination Committee and Risk Management Committee. These special committees conscientiously performed their duties in accordance with the Governance Guidelines of Listed Company, the Hong Kong Listing Rules, the Articles of Association, the Rules of Procedures for the Board, and the authorities and obligations mandated by the implementation rules of each special committee. For the meetings of each special committee under the Board during the Reporting Period, please refer to "3. Special Committees of the Board" under "Part II: Corporate Governance Report (Prepared in Accordance with the Requirements of the Hong Kong Listing Rules)" in this chapter.

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7. OPERATION OF THE SUPERVISORY COMMITTEE

Any risk of the Company discovered by the Supervisory Committee in its supervision during the Reporting Period

Yes No

The Supervisory Committee has no objection to the supervision items during the Reporting Period.

8. APPRAISAL AND INCENTIVES OF SENIOR MANAGEMENT

In order to promote the Company's development in a standardised, sound and orderly manner, to attract more talents and to maintain the stability of the senior management, the Board has formulated the Regulations for Annual Performance Assessment and Incentive for the Personnel Employed by the CIMC Board, and established the performance appraisal and incentive and restraint mechanisms which link the remuneration of senior management with both the Company's performance and individual performance, in accordance with the Company's targets of medium and long-term development strategy and the interests of all shareholders.

9. INTERNAL CONTROL

(1) Details of Material Defects of Internal Control Detected during the Reporting Period

Yes No

According to the findings in identifying the Company's significant deficiency in internal controls over financial reporting, as at the baseline date of the internal controls assessment report (31 December 2020), the Company has no significant deficiency in internal controls over financial reporting. The Board is of the opinion that the Company has duly complied with the criteria benchmarks for enterprise internal controls and the requirements of other relevant provisions to maintain effective internal controls over financial reporting in all material aspects.

According to the findings in identifying the Company's significant deficiency in internal controls over non-financial reporting, as at the baseline date of the internal controls assessment report (31 December 2020), the Company has not found any significant deficiency in internal controls over non-financial reporting.

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(2) Self-Assessment Report on Internal Control

Disclosure date of full text of internal control assessment report	29 March 2021
Disclosure index of full text of internal control assessment report	www.cninfo.com.cn
Proportion of total assets of the units incorporated in the assessment scope in the Company's total assets in the consolidated financial statements	95%
Proportion of revenue of the units incorporated in the assessment scope in the Company's revenue in the consolidated financial statements	95%

Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
Qualitative benchmark	(The misreported amount X in the financial statements is in the following range)	Significant deficiency:
	Significant deficiency:	
	1. Discovery of acts of irregularity by Directors, Supervisors or the management that caused significant impacts in financial reporting;	1. The assessed entity's business activities are in serious violation of the laws and regulations of the State;
	2. Amendment to published financial statements to reflect correction to significant reporting errors due to mistakes or irregularities;	2. Non-compliance in major policy decisions, substantive matters, appointment and dismissal of key personnel, as well as the decision processes for large sum of payments.
	3. The presence of significant reporting errors affecting the current financial statements remaining undetected by the assessed entity's internal controls systems, but was discovered by auditors;	Important deficiency:
	4. Significant deficiency that has been reported to the management and the Board but remains uncorrected after a reasonable period of time; alternatively, although the assessed entity has adjusted its significantly deficient internal controls prior to the baseline date, however, the new controls have not been in operation for a sufficiently long period;	1. Important deficiencies remain unrectified after being reported to the management and after lapse of a reasonable period;
	5. Ineffective monitoring on internal controls by the Audit Committee and the internal auditing unit.	2. Patented technology or proprietary technology is infringed upon or confidentiality is compromised thus undermining market competitiveness of the assessed entity's one or more products; but this has not affected the assessed entity's product market position.

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Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
	Important deficiency:	General deficiency:
	<p>Deficiency in internal controls in the following areas, which after general analysis still cannot ensure the authenticity, accuracy and reliability of the financial statements should be determined to be important deficiency:</p> <ul style="list-style-type: none"> • Internal controls on the choice and application of accounting policies according to generally accepted accounting standards; • Anti-fraud procedures and controls; • Internal controls on unconventional or non-systematic transactions; • Internal controls on end-period financial reporting processes; • Internal controls on information systems relating to financial reporting; • Failure in compliance with supervisory functions that can have a major impact on the reliability of financial reporting; • Penalty sanctions by the state authorities which have not impacted negatively on the assessed entity's regular reporting disclosure; • For companies that are required to put in place internal auditing or risk assessment functions for effective monitoring, the failure of such functions. 	<p>Patented technology or proprietary technology is infringed upon or confidentiality is compromised thus undermining market competitiveness of the assessed entity's one or more products; but the effect is minimal.</p>
	General deficiency:	
	Penalty sanctions by provincial (inclusive) or lower level authorities, which have not impacted negatively on the assessed entity's regular reporting disclosure.	

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Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
Quantitative benchmark	<p>(The erroneously reported amounts X in financial statement falls between the following range)</p> <p>Significant deficiency:</p> <ol style="list-style-type: none"> 1. $X \geq 0.5\%$ of total sales revenues; 2. $X \geq 5\%$ of total profits; 3. $X \geq 1\%$ of total assets; 4. $X \geq 1\%$ of total stakeholders' interests. <p>Important deficiency:</p> <ol style="list-style-type: none"> 1. 0.1% of total sales revenues $\leq X < 0.5\%$ of total sales revenues; 2. 1% of total profits $\leq X < 5\%$ of total profits; 3. 0.2% of total assets $\leq X < 1\%$ of total assets; 4. 0.2% of total stakeholders' interests $\leq X < 1\%$ of total stakeholders' interests. 	<p>Significant deficiency:</p> <ol style="list-style-type: none"> 1. Failure to maintain and/or update documentation contents for the internal controls systems for 3 years and more in succession, and failure to retain a full set of working papers for internal controls sampling checks; 2. Continuous interruption of normal services for a period of over 48 hours in such important public IT systems or platforms as corporate communication systems (including network, correspondence, telephone), ERP system, financial information system, PDM system, OA system and so on. <p>Important deficiency:</p> <ol style="list-style-type: none"> 1. Failure to maintain and/or update documentation contents for the internal controls systems for 2 years in succession, and failure to retain a full set of working papers for internal controls sampling checks; 2. Continuous interruption of normal service for a period of over 24 hours but less than 48 hours, in such important public IT systems or platforms as corporate communication systems (including network, correspondence, telephone), ERP system, financial information system, PDM system, OA system and so on.

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Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
	General deficiency:	General deficiency:
	1. X < 0.1% of total sales revenues;	1. Failure to perform annual maintenance and update of internal controls system documentation, and failure to retain a full set of working papers for internal controls sampling checks;
	2. X < 1% of total profits;	
	3. X < 0.2% of total assets;	
	4. X < 0.2% of total stakeholders' interests.	2. Instabilities with occasional service interruption of such important public IT systems or platforms as corporate communication systems (including network, correspondence, telephone), ERP system, financial information system, PDM system, OA system and so on; but normal operation can be recovered within a period of 24 hours.
	Number of significant deficiency of financial reporting	0
	Number of significant deficiency of non-financial reporting	0
	Number of important deficiency of financial reporting	0
	Number of important deficiency of non-financial reporting	0

10. INTERNAL CONTROL AUDIT REPORT

Applicable Not Applicable

The paragraphs of review opinions in the internal control audit report

In our opinion, CIMC has maintained effective internal controls in respect of financial reporting in all material aspects in accordance with the Basic Norms for Enterprise Internal Controls and relevant requirements on 31 December 2020.

Disclosure of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	29 March 2021
Disclosure index of full text of internal control audit report	http://www.cninfo.com.cn
Category of opinions in internal control audit report	Unqualified opinions
Whether there are material deficiencies in non-financial reporting	None

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Whether the accountants firm prescribes internal control audit report of non-standard views

Yes No

Whether the internal control audit report prescribed by accountants firm is consistent with the self-evaluation report of the Board

Yes No

PART II: CORPORATE GOVERNANCE REPORT (PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THE HONG KONG LISTING RULES)

The Company has been committed to enhancing its corporate governance standards. Through strict corporate governance practices, the Company strives to enhance corporate value and ensure our long-term sustainable development, and to fulfil corporate responsibility as a listed company as well as maximise long-term Shareholders value. The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for deviation of code provisions A.1.1 and A.2.1. The details of deviation from the code provisions of Corporate Governance Code and its considerations are disclosed in relevant paragraphs below.

1. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the provisions in relation to dealing in shares of the Company by Directors and Supervisors as set out in Appendix 10 of the Hong Kong Listing Rules. Having made enquiries to all Directors and Supervisors, each Director and Supervisor has confirmed to the Company that each of them has complied with the requirements set out in the Model Code during the Reporting Period.

2. THE BOARD

(1) Authorities of the Board

The Board of the Company is elected by the general meeting of the Company through voting and is held accountable to the general meeting. The primary responsibilities of the Board are to provide strategic guidance to the Company, exercise effective supervision over the senior management, ensure that the Company's interests are protected and are accountable to the Shareholders. On 9 October 2019, the Amendment to the Rules of Procedure for the Board of Directors of China International Marine Containers (Group) Co., Ltd. was considered and approved at the first extraordinary general meeting for 2020 of the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-082) on 9 October 2020, as well as the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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In accordance with the Articles of Association and the Rules of Procedures for the Board of Directors, the authorities of the Board include: (1) to convene general meetings and report to the meetings; (2) to implement the resolutions passed at general meetings; (3) to determine the Company's business plans and investment schemes; (4) to prepare the Company's annual financial budget and final accounts; (5) to formulate the Company's profit distribution plan and loss recovery plan; (6) to formulate proposals for increases or reductions of the Company's registered capital and for the issuance and listing of corporate bonds or other securities; (7) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form; (8) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset mortgage, and external guarantee within the authorisation of the general meeting; (9) to determine the establishment of the Company's internal management structure; (10) to appoint or dismiss the Company's CEO and the secretary of the Board; and pursuant to the CEO nominations, to appoint or dismiss senior officers including presidents, vice presidents and chief financial officer of the Company and to decide on their remuneration, rewards and penalties; (11) to formulate the Company's basic management system; (12) to formulate the proposed amendments to the Articles of Association; (13) to deal with information disclosures of the Company; (14) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company; (15) to receive work report submitted by the president and to review his performance; (16) to evaluate and determine the nature and extent of risks the Company is willing to take in achieving its strategic objectives, and to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems; (17) to supervise the management on the design, implementation and monitoring of the risk management and internal control systems; and (18) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities or the Articles of Association.

During the Reporting Period, the Directors and the Board of the Company carried out corporate governance duties in respect of the Company in a serious and responsible manner. The Directors were elected by strictly following the procedures for election and appointment of Directors provided for in the Articles of Association. All Directors attended Board meetings in a serious and responsible manner, performed their duties as Directors seriously and diligently, made important decisions concerning the Company, appointed and removed and supervised the members of the operation units of the Company.

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(2) Composition of the Board

During the Reporting Period, according to the Articles of Association, the Board consists of nine Directors, including one chairman, two vice chairman and three independent non-executive Directors.

Among the current Directors, the four non-executive Directors have vast and extensive experience in business and management; the three independent non-executive Directors also own profound academic and professional qualifications and rich industry experience in shipping, finance, legal and management. Especially, Mr. He Jiale, an independent non-executive Director, has appropriate accounting and financial management expertise, independent non-executive Director Mr. Pan Zhengqi has appropriate shipping management expertise, and independent non-executive Director Ms. Lui Fung Mei Yee, Mabel have appropriate legal affairs management expertise. The professional qualifications and abundant experience of current Directors help the Board rigorously review and monitor management procedures to ensure the interests of all Shareholders, including minority Shareholders. Profiles of Directors of the Company are set out in the section headed "Brief Biography of the Directors" under "Chapter X Information on Directors, Supervisors, Senior Management and Employees" of this Report. The personnel qualification and composition of the Board of the Company comply with Rule 3.10 and Rule 3.10A of the Hong Kong Listing Rules.

There are three independent non-executive Directors in the Board of the Company, exceeding one third of the total number of Directors of the Board, which satisfied the requirements regarding the number of independent non-executive directors under the Hong Kong Listing Rules. The three independent non-executive Directors perform their duties seriously according to the Articles of Association and the relevant requirements under the applicable laws and regulations, and do not hold other positions in the Company. The Company has received annual confirmation of independence for 2020 from each of the three independent non-executive Directors pursuant to Rule 3.13 of the Hong Kong Listing Rules. The Company considers that the three independent non-executive Directors are completely independent of the Company, its substantial Shareholders and its connected persons and comply with the requirements under the Hong Kong Listing Rules.

There is no financial, business, family or other significant/related relationships among the Board members, chairman and CEO and president.

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(3) Board Meeting

1. Attendance

Pursuant to the Articles of Association, the Board shall convene at least four meetings each year. In 2020, the Board convened 20 meetings, including 2 on-site meetings and 18 meetings voting in written form. The attendance of all Directors to the meetings is as follows:

Name	Position	Board Meeting		Rate of attendance in person (%)
		Time of attendance in person	Time of attendance by proxy	
Mai Boliang	Chairman, executive Director	20	0	100
Wang Hong (Note)	(former) Chairman, (former) non-executive Director	12	0	100
Hu Xianfu	Vice chairman, non-executive Director	20	0	100
Liu Chong (Note)	Vice chairman, executive Director	20	0	100
Deng Weidong (Note)	non-executive Director	8	0	100
Ming Dong	non-executive Director	20	0	100
Gao Xiang (Note)	non-executive Director	8	0	100
He Jiale	Independent non-executive Director	20	0	100
Pan Zhengqi	Independent non-executive Director	20	0	100
Lui Fung Mei Yee, Mabel	Independent non-executive Director	20	0	100

Note: On 27 August 2020, Mr. Wang Hong resigned from the position of Chairman and non-executive Director of the Company due to the change in work arrangement. On 9 October 2020, Mr. Deng Weidong and Mr. Gao Xiang were appointed as non-executive Director and executive Director, respectively. On 9 March 2021, Mr. LIU Chong resigned from the positions of director and vice-chairman of the Company due to the change in job assignments. Mr. LIU Chong will not take any position in the Company upon his resignation of the aforesaid positions. On the same day, Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments.

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2. The Convening of the Board Meetings and the Resolutions Considered

The Board convened 20 Board meetings and 20 meetings of special committees of the Board and passed 62 resolutions of the Board and 24 letters of opinions from Board committees during the Reporting Period.

Session of meeting of the Board	Date	Resolutions of the Board considered
The 1st meeting in 2020 of the 9th session	23 March 2020	Resolution on the consideration of the bonus balance fund operation plan under the profit sharing plan
The 2nd meeting in 2020 of the 9th session	26 March 2020	<ol style="list-style-type: none"> 1. Resolution on the 2nd Meeting in 2020; 2. Resolution on the Financing Arrangement in 2020; 3. Resolution Regarding Bank Facility and Project Guarantee Provided to the Subsidiaries of the Company in 2020; 4. Resolution Regarding the Provision of Credit Guarantees by CIMC Vehicles (Group) Co., Ltd. and its Holding Subsidiaries for its Distributors and Clients; 5. Resolution Regarding the Provision of Credit Guarantees by C&C Trucks Co. Ltd. and its Holding Subsidiaries for its Distributors and Clients; 6. Resolution Regarding the Application by CIMC Finance Company Limited to Provide External Guarantees Business for the Group's Subsidiaries; 7. Resolution Regarding the Provision of Mortgage Loan Credit Guarantees by Shenzhen CIMC Chancheng Development Co., Ltd. and its Holding Subsidiaries to Buyers of Commercial Housings; 8. Resolution Regarding the Provision of Buyer Financing by CIMC Enric Holdings Limited and its Subsidiaries for its Clients and Minority Shareholders; 9. Resolution Regarding the Provision of Credit Guarantees by CIMC Modern Logistics Development Co., Ltd. and its Holding Subsidiaries for its Clients; 10. Resolution Regarding the Provision of Buyer Credit by CIMC Container Holding Co., Ltd. and its Holding Subsidiaries for its Clients;

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Session of meeting of the Board	Date	Resolutions of the Board considered
		11. Resolution Regarding the Provision of Credit Guarantee by Shaanxi CIMC Vehicle Industrial Park Investment and Development Co., Ltd. for its Clients;
		12. Resolution Regarding the Provision of Credit Guarantee by Shenyang CIMC Industrial Park Investment and Development Co., Ltd. for its Clients;
		13. Resolution Regarding the Credit Guarantee Provided by CIMC Financing and Leasing Co., Ltd. and its Holding Subsidiaries to their Customers;
		14. Resolution Regarding the Guarantee Provided by Shenzhen CIMC Chancheng Development Co., Ltd. to Qujing Project Company (曲靖項目公司);
		15. Resolution Regarding the Guarantee Provided by Shenzhen CIMC Chancheng Development Co., Ltd. to Shangrong Real Estate and Shangtai Real Estate;
		16. Resolution Regarding the Management of Derivatives Hedging Business in 2020;
		17. Resolution Regarding the Execution of Continuing Connected Transactions/ Ordinary Related Transactions of 2019;
		18. Resolution Regarding the Public Issuance of Corporate Bonds to Qualified Investors;
		19. Resolution regarding the authorisation of investment management to the CEO and president;
The 3rd meeting in 2020 of the 9th session	16 April 2020	1. Resolution Regarding the Provision of Financial Assistance to a Connected Party by a Controlling Subsidiary of Shenzhen CIMC Chancheng Development Co., Ltd.; 2. Resolution Regarding the Proposal to Convene the Annual General Meeting for 2019 and the First A/H Shareholders' Class Meeting for 2020.
The 4th meeting in 2020 of the 9th session	20 April 2020	–
The 5th meeting in 2020 of the 9th session	29 April 2020	Resolution on the first quarterly report of 2020;

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Session of meeting of the Board	Date	Resolutions of the Board considered
The 6th meeting in 2020 of the 9th session	19 June 2020	Resolution on the issuance of A shares and listing on the ChiNext of the Shenzhen Stock Exchange of CIMC Vehicles (Group) Co., Ltd., a majority-owned subsidiary of the Company
The 7th meeting in 2020 of the 9th session	24 June 2020	Resolution on the Adjustments to Relevant Matters under A Share Options Incentive Scheme
The 8th meeting in 2020 of the 9th session	6 July 2020	Resolutions on the Insider Registration and Management System and Information Disclosure Management System
The 9th meeting in 2020 of the 9th session	22 July 2020	Resolutions on the acquisition of partial shares of CIMC Vehicles (Group) Co., Ltd. held by Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership)
The 10th meeting in 2020 of the 9th session	6 August 2020	Resolutions on the capital increase of Shenzhen CIMC Chancheng Development Co., Ltd. by Country Garden Real Estate Group Co., Ltd.
The 11th meeting in 2020 of the 9th session	18 August 2020	<ol style="list-style-type: none"> Resolution on the Introduction of Strategic Investor Xi'an Qujiang Cultural Industry Investment (Group) Co., Ltd. by Shenzhen CIMC Chancheng Development Group Co., Ltd.; Resolution on Capital Flow between Shenzhen CIMC Chancheng Development Group Co., Ltd. and the Company and Provision of Related Guarantees After the Introduction of the Strategic Investor
The 12th meeting in 2020 of the 9th session	27 August 2020	<ol style="list-style-type: none"> Resolution on the 12th meeting in 2020 of the 9th session-resignation of WANG Hong as the Chairman Resolution Regarding Update on Financial Institutions Facility and Project Guarantee Provided to Subsidiaries of the Company in 2020 Resolution Regarding the Update of the Provision of Financing Guarantee by CIMC Enric Holdings Limited and its Subsidiaries for Clients and Minority Shareholders in 2020 Resolution Regarding the Update of the Application by CIMC Finance Company Limited to Provide External Guarantees Business for the Group's Subsidiaries in 2020

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Session of meeting of the Board	Date	Resolutions of the Board considered
		5. Resolution Regarding the Update of the Provision of Credit Guarantee by Shaanxi CIMC Vehicle Industrial Park Investment and Development Co., Ltd. for its Clients in 2020
		6. Resolution Regarding the Update of the Provision of Credit Guarantee by Shenyang CIMC Industrial Park Investment and Development Co., Ltd. for its Clients in 2020
		7. Resolution regarding the authorisation of investment management to the CEO
		8. Resolution regarding the authorisation of donation
		9. Resolution regarding the authorisation of asset disposal
		10. Resolution on the 12rd meeting in 2020 of the 9th session-appointment of MAI as the Chairman
The 13h meeting in 2020 of the 9th session	16 September 2020	Resolution in Relation to the Convening of the First Extraordinary General Meeting of 2020
The 14h meeting in 2020 of the 9th session	22 September 2020	Resolution on the Capital Increase of Yantai CIMC Raffles Offshore Ltd.
The 15h meeting in 2020 of the 9th session	30 September 2020	Resolution on the election of a director to preside over the first Extraordinary General Meeting for 2020
The 16th meeting in 2020 of the 9th session	9 October 2020	Resolution on the Election of an Additional Vice-chairman and the Determination on Members of Committees of the Board
The 17th meeting in 2020 of the 9th session	20 October 2020	Resolution on the cancellation of unexercised and expired share options of the A share options during the second exercisable period
The 18th meeting in 2020 of the 9th session	27 October 2020	Resolution on the third quarterly report of 2020
The 19th meeting in 2020 of the 9th session	17 November 2020	–
The 20h meeting in 2020 of the 9th session	30 November 2020	Resolution on the extension of the purchase period of the first phase of the Trust Plan under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC

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Corporate Governance Code A.1.1 requires that “The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present.” During the Reporting Period, the Company held 20 Board meetings, of which 2 meetings was held on-site. The executive Directors of the Company manage and monitor the business operation and propose to hold Board meetings to have discussions and make decisions on the Group’s major business or management affairs from time to time. Accordingly, certain relevant decisions were made by all Directors by way of written resolutions. The Directors are of the opinion that, the fairness and validity of the decisions made for the business had adequate assurance. The Company will strive to put effective corporate governance practices into practice in the future.

(4) Responsibilities and Permissions of the Board and the Management

Responsibilities and permissions of the Board and the management are clearly defined. For details of responsibilities of the Board, please refer to the Articles of Association and the Rules of Procedures for the Board, and for the brief overview, please refer to “(1) Authorities of the Board” of “2. The Board” in this chapter of this Report. The management is responsible for the daily operation and management and accountable to the Board by timely providing adequate information to it and its special committees to ensure their informed decision-making.

(5) Chairman and CEO

The chairman and the CEO of the Company are different positions with different duties and responsibilities. Mr. Mai Boliang is the Chairman and CEO and president of the Company. The Board believes that vesting the roles of both the Chairman and the CEO in Mr. MAI would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. MAI’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group if Mr. MAI acts as both the Chairman and the CEO of the Company, and the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Directors and independent non-executive Directors.

Pursuant to the Articles of Association, the primary duties and responsibilities of the chairman of the Company include: (1) chairing the general meetings and convening and chairing meetings of the Board; (2) urging and inspecting the implementation of Board resolutions; (3) signing share certificates, debentures and other quoted securities of the Company; (4) signing important documents of the Board and other documents which should be signed by the Company’s legal representative; (5) exercising the authorities and powers of a legal representative; (6) exercising special discretionary power on corporate affairs in accordance with laws and in the Company’s interests in case of emergency situations such as the occurrence of natural disasters of an exceptional scale and other force majeure events, and providing aftermath reports to the Board and general meeting; and (7) performing other duties and powers authorised by the Board.

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Pursuant to the Articles of Association, the CEO is accountable to the Board and exercises the following powers and duties: (1) organizing the implementation of the Board resolutions and reporting to the Board of Directors; (2) organizing the implementation of the Company's annual plan and investment program; (3) formulating plans for the establishment of internal management institutions of the Company; (4) devising the basic management system of the Company; (5) being responsible for submitting the annual work report and other reports to the Board; (6) advising the Board to appoint or dismiss president, vice presidents and the chief financial officer; (7) appointing or dismissing core management staff (rank 10 or above) other than those to be appointed or dismissed by the Board, determining their remuneration, and entering into employment contracts with such personnel as authorized by the Board; (8) proposing to hold extraordinary meeting of the Board; (9) performing other duties and powers authorised by the Articles of Association or the Board.

Corporate Governance Code A.2.1 requires that "The roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing." During the Reporting Period, Mr. MAI served as the Chairman and the CEO of the Company. The Board of the Company believes that vesting the roles of both the Chairman and the CEO in Mr. MAI would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. MAI's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group if Mr. MAI acts as both the Chairman and the CEO of the Company, and the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Directors and independent non-executive Directors.

(6) Term of Office and Service Contracts of Directors and Supervisors

Pursuant to the Articles of Association, the Directors of the Company shall be elected at the general meeting and serve a term of office for three years. Upon the expiry of their term of office, the Directors may be re-elected for another session, provided that independent non-executive Directors shall not be re-elected for more than two sessions. Directors' service contracts and Supervisors' service contracts shall be signed between the Company and relevant Directors and Supervisors upon the election of Directors and the Supervisors representing shareholders considered and approved at the general meeting and Supervisors' service contracts shall be signed between the Company and relevant Supervisors upon the election of Supervisors representing staffs considered and approved at general staff meeting. During this year, the changes of Directors and Supervisors of the Company are listed in "IV. Changes of Directors, Supervisors and Senior Management of the Company" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" in this Report.

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Current executive Director Mai Boliang signed service contracts with the Company on 5 December 2012. Principal terms of such service contract include: (1) the service contract shall be valid from the listing date (19 December 2012) to the 2012 annual general meeting of the Company convened in June 2013. Upon the expiry, the contract can be renewed for another three years; and (2) the service contract may be terminated in accordance with respective terms stipulated therein. Non-executive Director and vice chairman Liu Chong signed a service contract with the Company on 31 May 2016. Principal terms of such service contract include: (1) the service contract shall be valid from the 2015 annual general meeting (31 May 2016) to the 2018 annual general meeting. Upon expiry, the contract can be renewed for another three years; and (2) the service contract may be terminated in accordance with respective terms stipulated therein. Hu Xianfu, a non-executive Director, signed a service contract with the Company on 26 September 2017. Principal terms of such service contract include: (1) the service contract shall be valid from the 2017 first extraordinary general meeting (26 September 2017) to the 2018 annual general meeting. Upon expiry, the contract can be renewed for another three years; and (2) the service contract may be terminated in accordance with respective terms stipulated therein. The service contracts can be updated according to the Articles of Association and applicable laws, rules and regulations. Non-executive Director Liu Chong and Ming Dong signed service contracts with the Company on 3 June 2019. Non-executive Director Deng Weidong and executive Director Gao Xiang signed service contracts with the Company on 9 October 2020. On 9 March 2021, Mr. LIU Chong resigned from the positions of director, vice-chairman and the member of the Strategy Committee of the Board of the Company due to the change in job assignments. Mr. LIU Chong will not take any position in the Company upon his resignation of the aforesaid positions. On the same day, Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments. Mr. GAO Xiang's position as the president of the Company and other positions in the subsidiaries of the Company remain unchanged upon his resignation of the aforesaid position.

He Jiale and Lui Fung Mei Yee, Mabel, both being independent non-executive Directors, signed service contracts with the Company on 3 June 2019, with major terms including: (1) the service contracts shall be valid from the 2018 annual general meeting (3 June 2019) to the 2021 annual general meeting of the Company. Upon expiry, the contracts can be renewed for another three years; and (2) the service contracts may be terminated in accordance with respective terms stipulated therein. Pan Zhengqi, an independent non-executive Director, signed a service contract with the Company on 31 May 2016, with details including: (1) the service contract shall be valid from the 2015 annual general meeting (31 May 2016) to the 2018 annual general meeting of the Company. Upon expiry, the contract can be renewed for another three years; and (2) the service contract may be terminated in accordance with the respective terms stipulated therein.

The Company entered into service contracts with Lin Feng (the chairman of the Supervisory Committee), Lou Dongyang (Supervisor) on 3 June 2019 and Xiong Bo (Supervisor) on 4 December 2013, respectively.

For details of the term of current Directors and Supervisors, please refer to "I. Brief Biography of the Directors, Supervisors and Senior Management" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" of this Report.

Apart from disclosed above, no Director or Supervisor has a service contract or attempt to enter into a service contract (which is not terminable by the Company within one year without payment of compensation, save for statutory compensation) with any member of the Group.

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(7) Directors' Remuneration

Among the nine Directors of the Company, Mr. Mai Boliang was paid by the Company due to his position as both Chairman and CEO, and Mr. Gao Xiang was paid by the Company due to his position as the President. The Company did not pay any remuneration to any of the non-executive Directors during the Reporting Period. As considered and approved by the Board and the general meeting, each of the independent non-executive Directors was entitled to an allowance of RMB240,000 per annum. Other than that, the Company did not provide other remuneration to the independent non-executive Directors during the Reporting Period. Details of remuneration paid to the Directors by the Company during this year are listed in "VI. Remuneration of Directors, Supervisors and Senior Management" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" in this Report. In the review and determination of specific remuneration packages for the Directors, the Company's Remuneration and Appraisal Committee may consider factors such as salaries paid by comparable companies, time of commitment and responsibilities of the Directors. For details of the specific appraisal procedures and remuneration determination scheme for the Directors, please refer to "(1) Remuneration and Appraisal Committee" of "3. Special Committees of the Board" under "Part II: Corporate Governance Report (Prepared in Accordance with the Requirements of the Hong Kong Listing Rules)" in this chapter of this Report.

During the Reporting Period, the Company didn't make any payments nor provide any benefit in respect of the termination of the service of Directors (whether rendered in the capacity of Directors or in any other capacity during term of office as Directors).

(8) Interests of Directors

1. Interests of Directors and Supervisors in Contracts

During the Reporting Period, none of the Directors or Supervisors of the Company had any material personal interests, either directly or indirectly, in any transaction, arrangement or contract of significance where the Company or any of its subsidiaries was a party.

2. Competing Interests of Directors and Supervisors

Mr. Hu Xianfu, a non-executive Director of the Company, serves as the general manager of China Merchants Industry Holdings Company Limited. Mr. Deng Weidong, a non-executive Director of the Company, served as the director of the capital management department of China Merchants Group. Mr. Lou Dongyang, a supervisor of the Company, serves as the chief financial officer of China Merchants Industry Holdings Company Limited. China Merchants Industry Holdings Company Limited and its controlling shareholder China Merchants Group are the second largest Shareholder of the Company. The offshore engineering business of China Merchants Group competes with that of the Group. For details, please refer to "3. Horizontal Competitions" of "Chapter XI Corporate Governance and Corporate Governance Report" in this Report.

Mr. Liu Chong and Mr. Ming Dong, non-executive Directors of the Company, serve as executive Director, general manager and deputy general manager of COSCO SHIPPING Development Co., Ltd. Mr. Lin Feng, chairman of the Supervisory Committee of the Company, serves as the chief accountant of COSCO SHIPPING Development Co., Ltd. The container manufacturing, logistics services and financial leasing business of COSCO SHIPPING Development Co., Ltd. and its controlling shareholders China COSCO Shipping Corporation Limited compete with those of the Group.

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Save as disclosed above, none of other Directors or Supervisors, nor any entity related to such Directors/Supervisors, have or have ever had any interests in a business that competes or may compete directly or indirectly with the business of the Group.

(9) Measures to Ensure Director's Fulfilment of Responsibilities

1. Upon assumption of duty by the Directors, the Company shall provide relevant instruction materials. Information about the Company's business and operation shall be provided on a regular basis as well. The dynamic information on relevant new laws and regulations and internal publications shall be given from time to time. Relevant continuous professional training shall be organised at the Company's cost to help Directors fully understand their responsibilities prescribed in the Hong Kong Listing Rules and other relevant laws and regulations, and comprehensively understand the operation of the Company in a timely manner. In order to ensure the fulfilment of responsibilities by independent non-executive Directors, the Company will also arrange independent non-executive Directors to conduct field visits and to develop ample communication with the senior management (including the chief financial officer) and the auditors of the Company.
2. To ensure their continued development and update of knowledge and skills for better performance of their duties, the Directors attended the training provided by lawyers, auditors and the Hong Kong Stock Exchange. According to records kept by the Company, in 2020, the Directors of the Company received the following trainings:

Name	Position	Laws, regulations and rules and other reading materials
Mai Boliang	Chairman, Executive Director and CEO	Attending the training on social, environmental and governance (ESG) issues conducted by KPMG
Wang Hong	Former Chairman and non-executive Director	
Liu Chong (Note)	Vice chairman and non-executive Director	
Hu Xianfu	Vice chairman and non-executive Director	
Deng Weidong	Non-executive Director	
Ming Dong	Non-executive Director	
Gao Xiang (Note)	Executive Director	
He Jiale	Independent non-executive Director	
Pan Zhengqi	Independent non-executive Director	
Lui Fung Mei Yee, Mabel	Independent non-executive Director	

Note: On 9 March 2021, Mr. LIU Chong resigned from the positions of director and vice-chairman due to the change in job assignments. On the same day, Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments.

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3. The Company shall engage auditors, independent financial advisers, lawyers and other relevant independent professionals for independent professional advice as required when commenting on matters such as external guarantees, capital occupation and connected transactions of the Company by the Directors, in order to assist the Directors in fulfilling their responsibilities.
4. Concerning possible legal risks that the Directors, Supervisors and senior management of the Company might face during their fulfilment of responsibilities, on 5 June 2020, the Company contracted with PICC Property and Casualty Company Limited on “Liability insurance for Directors and senior management” with a term of one year and a compensation limit of RMB300 million per year.

3. SPECIAL COMMITTEES OF THE BOARD

Under the Board, there are Remuneration and Appraisal Committee, Nomination Committee, Audit Committee, Strategy Committee and Risk Management Committee. Their main responsibility is to support the decision-making of the Board. Directors who participate in the special committees focus on the research of certain issues based on the division of work and provide suggestions that would help improve and enhance the management of the Company.

(1) Remuneration and Appraisal Committee

1. Duties and Responsibilities of the Remuneration and Appraisal Committee

The main duties and responsibilities of the Remuneration and Appraisal Committee of the Company are: (1) to study and formulate evaluation criteria for senior management, to perform evaluation and propose remuneration policies and plans; (2) to make recommendations regarding the evaluation criteria and remuneration policies for Directors; (3) to formulate share option incentive schemes pursuant to provisions of relevant laws, regulations and normative documents; (4) to be responsible for the management of share incentive schemes, including but not limited to reviews on the qualification of grantees, grant condition and condition for exercising the same; and (5) to carry out other matters authorised by the Board.

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2. Members of the Remuneration and Appraisal Committee and the Attendance Rate

The Remuneration and Appraisal Committee comprises five Directors, including three independent non-executive Directors and two non-executive Directors. Current members include chairman, namely, Mr. Pan Zhengqi and members, namely, Mr. He Jiale, Ms. Lui Fung Mei Yee, Mabel, Mr. Hu Xianfu and Mr. Ming Dong.

Members of the Remuneration and Appraisal Committee	Time of attendance in person	Time of attendance by proxy
Mr. Pan Zhengqi (chairman)	3	0
Mr. He Jiale (member)	3	0
Ms. Lui Fung Mei Yee, Mabel (member)	3	0
Mr. Hu Xianfu (member) (Note)	2	0
Mr. Ming Dong (member)	3	0
Mr. Deng Weidong (member) (Note)	1	0

Note: On 9 October 2020, Mr. Hu Xianfu left office due to the change in the composition of the Board. During the same period, Mr. Deng Weidong was appointed as a member of the Remuneration and Appraisal Committee.

3. Work of the Remuneration and Appraisal Committee during the Reporting Period

The Remuneration and Appraisal Committee held 3 meetings during the Reporting Period, and the proposals deliberated are as follows:

Session of meeting	Type of meeting	Resolutions considered
The 1st meeting in 2020 of the 9th session	26 March 2020	Resolution on the Compensation of Directors, Supervisors and Senior Management in 2019
The 2nd meeting in 2020 of the 9th session	11 August 2020	<ol style="list-style-type: none"> Review opinion on the 2019 appraisal of CEO and president Mai Boliang Review opinion on the 2020 appraisal of appointed personnel (excluding CEO and president Mai Boliang) by the Board of Directors
The 3rd meeting in 2020 of the 9th session	30 October 2020	Opinion on the 2019 bonus distribution plan for personnel appointed by the Board

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4. Decision Procedures for Remuneration

The appraisal procedures of the Remuneration and Appraisal Committee for the directors and senior management include: (1) the Remuneration and Appraisal Committee determines the list of staff to be appraised and submits to the Board for consideration and approval; (2) the staff to be appraised submit a work report and provide self-evaluation to the Remuneration and Appraisal Committee of the Board; (3) the Remuneration and Appraisal Committee evaluates the performance of the staff based on the evaluation criteria and procedures; and (4) the Remuneration and Appraisal Committee proposes the remuneration scheme or recommendation for each staff member based on their results of performance evaluation and the remuneration distribution policy, and reports it to the Board after passing the vote.

According to the Implementation Rules of the Remuneration and Appraisal Committee, the remuneration plan of the Company's Directors proposed by the Remuneration and Appraisal Committee shall be submitted to the Board for discussion and consent, and then submitted to the general meeting for consideration and approval before implementation; the remuneration distribution plan for senior management shall be submitted to the Board for examination and approval before implementation. Model (ii) of Rule B.1.2(c) in Appendix 14 of the Hong Kong Listing Rules is adopted for the procedures that determine the remuneration.

(2) Nomination Committee

1. Duties and Responsibilities of the Nomination Committee

The main duties and responsibilities of the Nomination Committee are: (1) to review the structure, size and composition of the Board annually on a regular basis (including the aspects of skills, knowledge and experience) and make recommendations on any proposed changes to the Board to keep in line with the Company's strategy, in order to reflect the current regulatory requirement and sound corporate governance practice; (2) to recruit the Board members, assess and evaluate the best composition of the Board members in accordance with the Company's formulated strategies and objectives, to identify individuals qualified to become Board members and select and make recommendations to the Board on the selection of individuals nominated for directorships; and to assess the independence of independent non-executive directors; (3) to stipulate the objectives of nomination policy, to make recommendations to the Board on relevant matters relating to the selection, appointment or reappointment of Directors, and succession plan for Directors (especially the chairman of the Board and president) and formulate transparent and fair policy; (4) to evaluate the Directors' work and make suggestions or recommendations on the replacement of Directors based on the evaluation results (if applicable); (5) to fully consider the Company's policy on diversity of Board members when fulfilling responsibilities, i.e. the selection of candidates for the Board will be based on a diverse range of criteria, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge; on top of the above conditions, qualities such as the candidate's comprehensive value to the Company's business and development, his/her potential contribution to the Board, views and perspectives, independence and requirements on diversity of the Board members will be taken into account when the final decision is made; (6) to review, where appropriate, the Company's policy on diversity of Board members as well as the measurable goals and progress of policy implementation to ensure its efficiency; and (7) to perform other duties authorised by the Board.

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2. Members of the Nomination Committee and the Attendance Rate

The Nomination Committee comprises five Directors, including three independent non-executive Directors and two non-executive Director. Current members include chairman, namely, Ms. Lui Fung Mei Yee, Mabel and members, namely, Mr. Wang Hong and Mr. He Jiale.

Member of the Nomination Committee	Time of attendance in person	Time of attendance by proxy
Ms. Lui Fung Mei Yee, Mabel (chairman)	2	0
Mr. Wang Hong (member) (Note)	1	0
Mr. Mai Boliang (member)	1	0
Mr. He Jiale (member)	2	0
Mr. Pan Zhengqi (member) (Note)	0	0
Mr. Hu Xianfu (member) (Note)	0	0

Note: On 28 August 2020, Mr. Wang Hong left office due to work arrangement. In the corresponding period, Mr. Mai Boliang was appointed as the member of the Nomination Committee. On 9 October 2020, Mr. Pan Zhengqi and Mr. Hu Xianfu were appointed as members of the Nomination Committee.

3. Work of the Nomination Committee during the Reporting Period

The Nomination Committee held 2 meetings during the Reporting Period, and the proposals deliberated are as follows:

Session of meeting	Date	Resolutions considered
The 1st meeting in 2020 of the 9th session	26 March 2020	Opinion on the 1st meeting in 2020
The 2nd meeting in 2020 of the 9th session	27 August 2020	1. Opinions on the nomination of candidates for the 9th Session of the Board 2. Opinions on the nomination of senior management

4. Policy of Diversity of the Board Members

The Implementation Rules for the Nomination Committee of the Company clarified the policy of diversity of the Board members, i.e. the selection of candidates for the Board will be based on a diverse range of criteria, such measurable criteria include but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. On top of the above conditions, qualities such as the candidate's comprehensive value to the Company's business and development, his/her potential contribution to the Board and requirements on diversity of the Board members will be taken into account when the final decision is made. The Company has been making continuous efforts to improve the proportion of females in the Board. During the Reporting Period, the Company appointed Ms. Lui Fung Mei Yee, Mabel, an independent non-executive Director, to achieve the increase of the number of females in the Board. The Board considers that the Company's existing practices are in line with the requirements of the Hong Kong Listing Rules on diversity of the Board members.

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5. Procedures and Criteria of Nomination of Directors

According to the Implementation Rules of the Nomination Committee, the procedures of nomination and selection of Directors should include: (1) the Nomination Committee shall proactively exchange views with relevant departments of the Company to study the need of the Company for new Directors, and formulate written materials; (2) the Nomination Committee may conduct extensive search for candidates for directorship among employees of the Company, its Shareholders and in the open recruitment market; (3) information including the profession, education, professional titles, detailed work experience and all part-time jobs etc. of the preliminary candidates shall be collected, and written materials shall be formulated; (4) the nominee's consent to nomination shall be sought, failing which such nominee shall not be named as a candidate for directorship; (5) a meeting of the Nomination Committee shall be convened, at which qualification-vetting of the preliminary candidates shall be carried out based on the terms of appointment for Directors; (6) the Nomination Committee shall submit its recommendations for candidates for directorship together with relevant materials to the Board one to two months prior to the election of new Directors; and (7) other subsequent tasks to be undertaken pending on the decision and feedback of the Board.

Pursuant to the Articles of Association, election and replacement of Directors shall be proposed to a general meeting for approval. The Nomination Committee of the Board (the Board), the Supervisory Committee and the Shareholders whose shareholding represents 1% or more of the voting shares of the Company are entitled to raise proposals. The Office of the Secretary to the Board is responsible for preparing relevant procedural documents, including but not limited to recommendation letters, resumes of candidates, tables of basic information and letters of resignation, which shall be submitted to the Board for consideration, and then to the general meeting for approval upon the consent of the Director candidates and qualification review of the Board's Nomination Committee. At the same time, resigning Directors are requested to sign resignation letters. Pursuant to the Articles of Association, the Company is required to give notice in writing and make an announcement at least 20 business days prior to the annual general meeting (excluding the date of the notice and the date of the meeting); and at least 15 days or 10 business days prior to the extraordinary general meeting (whichever is longer and excluding the date of the notice and the date of the meeting), and send a circular to the Shareholders. Pursuant to the Hong Kong Listing Rules, information concerning the name list, resumes and emoluments of the candidates for directorship must be set out in the circular to Shareholders to facilitate voting by Shareholders. The new Directors must be approved by more than half of the total voting shares held by the Shareholders present in person or by proxy at the general meeting or by a cumulative vote.

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(3) Audit Committee

1. Duties and Responsibilities of the Audit Committee

The main duties and responsibilities of the Audit Committee include: to handle the relationship with the external auditing body of the Company, to review the financial information of the Company and to monitor the Company's financial reporting system and internal control procedures.

2. Members of the Audit Committee and the Attendance Rate

The Audit Committee comprises three independent non-executive Directors. Current members include, chairman, Mr. He Jiale and members, Mr. Pan Zhengqi and Ms. Lui Fung Mei Yee, Mabel.

Member of the Audit Committee	Time of attendance in person	Time of attendance by proxy
Mr. He Jiale (chairman)	11	0
Mr. Pan Zhengqi (member)	11	0
Ms. Lui Fung Mei Yee, Mabel (member)	11	0

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3. Work of the Audit Committee during the Reporting Period

During the Reporting Period, the Audit Committee held 11 meetings, and the proposals deliberated are as follows:

Session of meeting	Date	Resolutions considered
The 1st meeting in 2020 of the 9th session	7 March 2020	–
The 2nd meeting in 2020 of the 9th session	26 March 2020	Opinion on matters concerning the 2nd meeting in 2020
The 3rd meeting in 2020 of the 9th session	16 April 2020	Opinion on the provision of financial assistance to a connected party by a subsidiary of CIMC Chancheng
The 4th meeting in 2020 of the 9th session	29 April 2020	Opinion on auditing the first quarterly report of CIMC in 2020
The 5th meeting in 2020 of the 9th session	22 July 2020	Opinion on acquisition of partial shares of CIMC Vehicles (Group) Co., Ltd. held by Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership)
The 6th meeting in 2020 of the 9th session	6 August 2020	Opinion on capital increase of Shenzhen CIMC Chancheng Development Co., Ltd. by Country Garden Real Estate Group Co., Ltd.
The 7th meeting in 2020 of the 9th session	18 August 2020	Opinion on fund transfer with the Company and provision of guarantees after the introduction of strategic investor by CIMC Chancheng
The 8th meeting in 2020 of the 9th session	27 August 2020	Opinions on the Interim Report of 2020
The 9th meeting in 2020 of the 9th session	27 October 2020	Opinion on auditing the third quarterly report of CIMC in 2020
The 10th meeting in 2020 of the 9th session	26 October 2020	–
The 11th meeting in 2020 of the 9th session	17 December 2020	–

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(4) Strategy Committee

The main duties and responsibilities of the Strategy Committee of the Company are: to study and make recommendations on the Company's long-term strategic development plan (including sustainable development strategy), on the major investment programme that is subject to the approval of the Board, and on the major capital operations and asset management projects that shall be subject to the approval of the Board; to conduct research on ESG management guidelines, objectives, strategies, materiality issues and budgets, identify and make recommendations on risks and opportunities, monitor implementation and review progress against objectives; to review ESG reports and disclosure regarding the Group's sustainability, and make recommendations for approval for publication or disclosure; and to perform other duties authorised by the Board.

Members of Strategy Committee comprise one executive Director, two non-executive Directors and two independent non-executive Directors. Current members are: chairman of the committee, Mr. Mai Boliang, and members, Mr. Hu Xianfu, Mr. Liu Chong, Mr. He Jiale and Mr. Pan Zhengqi.

During the Reporting Period, the Strategy Committee of the Company held meetings through interviews, telephone, email, electronic communications and other methods to discuss important matter of the Company, kept close and effective communication and ensured the performance of its duties and responsibilities. Meanwhile, the investment and M&A leading group of CIMC under the Strategy Committee also held 2 meetings on investment projects to fully evaluate the Company's major investments, which provided a strong basis for the decision of the Board.

(5) Corporate Governance Functions

The Board has responsibilities of corporate governance, which are to urge the management to establish compliant organisational structure and systems, and to abide by the Corporate Governance Code and other laws and regulations in its daily management. According to the Corporate Governance Code, during the Reporting Period, the Board audited the compliance of the Company's corporate governance policies and guidelines, and was responsible for and performed the following corporate governance functions:

1. To formulate and review the Company's corporate governance policies and practices, and make recommendations to the Board;
2. To review and monitor the training and continuous professional development of the Directors and senior management;
3. To review and monitor the policies and practices in terms of the Company's compliance with laws and regulations;
4. To formulate, review and monitor the code of conduct for employees and Directors; and
5. To review the Company's compliance with the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules and the disclosure in the Corporate Governance Report.

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(6) Risk Management Committee

In order to further strengthen the risk management and internal control system, enhance the risk control capability and optimise the corporate governance structure of the Company, the Risk Management Committee was established by the Board.

1. Duties and Responsibilities of the Risk Management Committee

The main duties and responsibilities of the Risk Management Committee include: (1) to supervise and provide guidance on strengthening the risk management and internal control system of the Company; (2) to consider the planning for the risk management and internal control system of the Company, the annual work plan and annual report; (3) to consider the establishment of administrative organisations of the risk management and internal control system of the Company and proposals on their responsibilities; (4) to consider the relevant rules and regulations and work flows of the risk management and internal control system of the Company; (5) to consider the Company's strategies on risk management and its risk management solutions for significant risks; (6) to study the risks and risks control of significant issues in major investment & financing activities and operation management, making recommendations to the Board in respect thereof; (7) to study the significant findings of investigations on major risk emergency events or other risk management and internal control related issues as well as the feedback from the management; and (8) to handle other affairs as authorised by the Board concerning comprehensive risk management.

2. Members of the Risk Management Committee and the Attendance Rate

During the Reporting Period, the Risk Management Committee comprised five Directors. Current members include: chairman, Mr. Deng Weidong, and members, Mr. Ming Dong, Mr. He Jiale, Mr. Pan Zhengqi and Ms. Lui Fung Mei Yee, Mabel.

Member of the Risk Management Committee	Time of attendance in person	Time of attendance by proxy
Mr. Deng Weidong (chairman) (Note)	1	1
Mr. Hu Xianfu (former chairman) (Note)	2	0
Mr. Ming Dong (member)	4	0
Mr. He Jiale (member)	4	0
Mr. Pan Zhengqi (member)	4	0
Ms. Lui Fung Mei Yee, Mabel (member)	4	0

Note: On 9 October 2020, Mr. Hu Xianfu left office due to the change in the composition of the Board. During the same period, Mr. Deng Weidong was appointed as the Chairman of the Risk Management Committee.

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3. Work of the Risk Management Committee during the Reporting Period

During the Reporting Period, the Risk Management Committee held 4 meetings.

Session of meeting	Date	Resolutions considered
The 1st meeting in 2020 of the 9th session	26 March 2020	Opinion on CIMC 2020 internal control assessment report
The 2nd meeting in 2020 of the 9th session	27 August 2020	–
The 3rd meeting in 2020 of the 9th session	26 October 2020	–
The 4th meeting in 2020 of the 9th session	17 December 2020	–

4. SHAREHOLDERS AND GENERAL MEETINGS

1. Shareholders' Rights

To ensure that all Shareholders of the Company enjoy equal rights and exercise their rights effectively, the Company convenes the general meetings every year pursuant to the Articles of Association. The Resolution Regarding the Amendment to the Rules of Procedures for the General Meeting of China International Marine Containers (Group) Co., Ltd. was considered and approved at the first extraordinary general meeting of the Company for 2020. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-082) on 9 October 2020, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

The Company has always kept good communication with the Shareholders by reporting the performance and operations of the Group to the Shareholders through the disclosures of annual reports, interim reports and quarterly reports, as well as several other formal communication channels. At the same time, the hotline and e-mail services are available for the Shareholders to express their views or to exercise their rights. The materials on the website are regularly updated to keep the Shareholders and the public posted on the recent developments of the Company in a timely manner.

The dates, content, delivery methods, announcement methods and the Shareholders' voting procedures of the Company's circulars and notices of general meetings strictly comply with the relevant provisions of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules to ensure the exercise of the Shareholders' rights to attend the general meetings. Pursuant to the Articles of Association, the Shareholder(s) is (are) entitled to supervise the operation of the Company, raise recommendations or enquiries to the Company.

During the Reporting Period, the Company held a total of 4 general meetings, including: 2 general meetings, 1 A Shareholders' class meetings and 1 H Shareholders' class meetings.

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2. Attendance of the Directors at the General Meetings

Position	Name	General meeting attended	4 general meetings convened in this year	
			Time of attendance	Attendance rate (%)
Chairman, executive Director, CEO	Mai Boliang	Annual general meeting for 2019 The first A/H shareholders' class meeting for 2020	3	75
Former Chairman, non-executive Director	Wang Hong (Note)	Annual general meeting for 2019 The first A/H shareholders' class meeting for 2020	3	75
Vice chairman, non-executive Director	Liu Chong (Note)	–	0	0
Vice chairman, non-executive Director	Hu Xianfu	–	0	0
Non-executive Director	Deng Weidong (Note)	–	–	–
Non-executive Director	Ming Dong	–	0	0
Executive Director	Gao Xiang (Note)	–	–	–
Independent non-executive Director	He Jiale	Annual general meeting for 2019 The first A/H shareholders' class meeting for 2020 The first extraordinary general meeting for 2020	4	100
Independent non-executive Director	Pan Zhengqi	Annual general meeting for 2019 The first A/H shareholders' class meeting for 2020 The first extraordinary general meeting for 2020	4	100
Independent non-executive Director	Lui Fung Mei Yee, Mabel	Annual general meeting for 2019 The first A/H shareholders' class meeting for 2020	3	75

Details on resolutions passed at the above general meetings have been set out in the relevant announcements published on the website of the Shenzhen Stock Exchange, Cninfo website (www.cninfo.com.cn), the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website.

Note: On 27 August 2020, Mr. WANG Hong resigned from the position of Chairman and non-executive Director of the Company due to the change in work arrangement. On 9 October 2020, Mr. Deng Weidong was appointed as non-executive Director and Mr. Gao Xiang was appointed as executive Director at the first extraordinary general meeting for 2020. On 9 March 2021, Mr. LIU Chong resigned from the positions of director and vice-chairman due to the change in job assignments. On the same day, Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments.

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3. Implementation of Resolutions of Annual General Meeting by the Board

All members of the Board have seriously and diligently performed their duties, implemented the resolutions passed at the annual general meeting and accomplished all tasks as authorised by the annual general meeting according to the relevant laws and regulations of the respective jurisdictions where the Company's shares are listed and the provisions as set out in the Articles of Association.

4. Procedures for Requisition to Convene a General Meeting and Proposals by Shareholders

Pursuant to the Articles of Association, the Shareholder(s) individually or jointly holding a total of 10% or more of the shares of the Company is (are) entitled to request the Board in writing to convene an extraordinary general meeting or a class general meeting. Two or more Shareholders holding a total of 10% or more of the shares carrying voting right of the Company may sign one or more written requests of identical form and substance requesting the Board to convene a class general meeting or an extraordinary general meeting and stating the subject of the meeting. If the Board disagrees with the proposal of convening an extraordinary general meeting requested by such Shareholders, such Shareholders shall make a written resolution to the Supervisory Committee for convening such an extraordinary general meeting. If the Supervisory Committee agrees to convene such a meeting, a notice of such meeting shall be issued within five days upon receipt of the proposal. Changes made to the original proposal shall be approved by the original proposer. If the Supervisory Committee fails to dispatch a notice of the general meeting within a prescribed period of time, it shall be deemed that the Supervisory Committee fails to convene and preside over the general meeting. In that case, the Shareholder(s) individually or jointly holding 10% or more of the shares of the Company for a continuous period of 90 days may convene and preside over a general meeting by himself/themselves, provided that prior to the announcement of the resolutions of the general meeting the shares held by such convening Shareholder(s) shall not be less than 10% of the shares of the Company. The reasonable expenses incurred by such Shareholder(s) for general meeting or a class general meeting shall be borne by the Company and shall be deducted from the remuneration paid by the Company to the negligent Director(s).

Pursuant to the Articles of Association, the Shareholder(s) individually or jointly holding more than 3% of the Company's shares is (are) entitled to submit extraordinary resolutions in writing to the Board 10 days prior to the general meeting.

The Company values feedbacks from its Shareholders, investors and the public. Shareholders may submit their inquiries and questions to the Board in writing via the Company Secretary. Shareholders may make inquiries and recommendations by contacting the Company. For the contact information, please refer to the "Chapter I Corporate Profile" in this Report.

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5. SUPERVISORS AND THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company is accountable to the general meeting. All of the Supervisors have discharged their duties seriously in accordance with the provisions of the Articles of Association, attended all Board meetings and persistently reported their work to the general meeting. In line with the spirit of accountability to all Shareholders, the Supervisory Committee monitored the financial affairs and internal control of the Company and the performance of duties and responsibilities by the Directors, presidents and other senior management personnel of the Company to ensure that they have performed their duties in compliance with applicable laws and regulations. For details of the work of the Supervisory Committee during the Reporting Period, please refer to “Chapter VII Report of the Supervisory Committee” in this Report.

6. ACCOUNTABILITY, AUDIT AND CONTINUING OPERATIONS

Directors confirm that they have the responsibility to prepare the financial statements for each financial year to truly and fairly report the Group’s performance and accounts regarding its results and cash flows within relevant period. The Directors audited the financial statements for the year ended 31 December 2020 prepared by the Company with the support from the finance department of the Company, and ensured that the relevant accounting practices and policies are observed and CASBE are complied with in the compilation of the financial statements in order to report the financial position of the Company in a true and fair manner. After due enquiry, the Board considers that the Group has adequate resources to continue operations for the foreseeable future, so it is suitable to adopt an on-going concern basis for the preparation of the financial statements. The Directors were not aware or discover any major uncertain events or situations that may have a material impact on the sustainable operation capability of the Company.

For details of the Auditors’ reporting responsibilities and the statements of their feedbacks to the financial statements of the Company for the year ended 31 December 2020, please refer to “Chapter XIII Auditor’s Report” of this Report.

7. REMUNERATION OF THE AUDITORS

The Company has not changed its auditors within the past five years. For information relating to the remuneration received by the auditors for their services to the Company during the Reporting Period, please refer to “IX. Engagement and Disengagement of Firms of Accountants” of “Chapter VIII Significant Events” in this Report.

8. COMPANY SECRETARY

The Company Secretary, Mr. Yu Yuqun, shall be responsible for facilitating the Board procedures of the Company and the communications among Directors, between the Directors and the Shareholders, and among the management. The resume of Mr. Yu is set out in “I. Brief Biography of the Directors, Supervisors and Senior Management of the Company” of “Chapter X Information on Directors, Supervisors, Senior Management and Employees” of this Report. In 2020, Mr. Yu received trainings of more than 15 hours to advance his professional skills and knowledge.

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9. INVESTOR RELATIONS

For the number of Shareholders and nature of shares of the Company as at the end of 2020, please refer to “1. Number of Shareholders and Shareholdings of the Company” of “III. Shareholders and De Facto Controller” under “Chapter IX Changes in Share Capital and Information on Shareholders” of this Report.

In 2020, the Company continued to place emphasis on and committed to improving investor relations management by, in the interest of minority investors, adopting effective and innovative measures in daily work and settlement of major issues to strengthen all-around communication with Shareholders and investors. Regarding the Company’s reception of investors in 2020, please refer to “X. Reception of Research, Communications and Interviews” under “Chapter V Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules” of this Report. In the coming year, the Company will further improve its communication with the investors and endeavour to enhance the investors’ understanding to the Company. Meanwhile, it is expected that more support and attention from the investors can be earned.

On 1 June and 9 October 2020, the twice amendments to the Articles of the Association and the Rules of Procedure for the General Meetings of the Company was set out in “1. Situation of Corporate Governance” under “Chapter XI Corporate Governance and Corporate Governance Report” of this Report.

10. RISK MANAGEMENT AND INTERNAL CONTROL

(1) The Risk Management and Internal Control System

The Company established a comprehensive risk management and internal control system in strict compliance with the requirements of CSRC, the CSRC Shenzhen Bureau and the Hong Kong Stock Exchange. According to the Criteria Benchmarks for Enterprise Internal Controls and its guidance issued by five ministries and departments, the requirements of the Corporate Governance Code and the Corporate Governance Report under the Hong Kong Listing Rules and by referring to guiding documents such as COSO “Corporate Risk Management – Overall Framework” and ISO31000 “Risk Management – Principles and Guidelines”, the Company has designed, implemented and monitored its risk management and internal control system. During the Reporting Period, the Company conducted a number of reviews of its risk management and internal control systems.

The Board of the Company attaches great importance to the construction of the risk management and internal control system of the Company. The Board optimises the risk management strategy of the Company according to the strategic planning, formulates the work policy for risk management for the year, and circulates these strategies and policies to each business department for implementation. The Audit Committee of the Board is responsible for monitoring the design, implementation and supervision of the risk management and internal control system of the Company and reports to the Board in this regard. The Board has established the Risk Management Committee, which is responsible for guiding the design, implementation and monitoring of the Company’s risk management and internal control systems and reporting to the Board. The management is responsible for the design, implementation and supervision of the risk management and internal control systems, and for the identification and special governance of major risks of the Company. Under the authorisation of the management, the audit and supervision department of the Company is responsible for coordinating the construction, implementation and supervision of the risk management and internal control system of the Company.

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During the Reporting Period, the Company has done a series of major risk control work, in a move to deliver the risk control vision of “building a risk control system that features active risk control, pragmatism and efficiency and boosts the Group to become a global enterprise that leads in sustainable and healthy development”:

In 2020, the Company continued to facilitate the construction of risk control environment of “knowing red line and keeping bottom line”, initiated the group-level quarterly risk control seminar, strengthened communication with segments/enterprise chairmen and the general manager regarding important audit findings and relevant rectification measures, and further implemented the “Principal Project”. Based on the risk control information platform, the Group has periodically pushed the Quarterly Audit Summary, Risk Control Board, the Risk Control Information Bulletin, etc., consistently promoted quarterly internal and external self-check on important risks to establish a risk communication, self-check and rectification mechanism that is “horizontal to edge and vertical to bottom”. The Group has continuously developed a series of risk control guides, supporting cases and learning courseware, established the key position personnel library, implemented the certificate-based position mechanism and rotating actual operation mechanism. The Group implemented implement risk control check during the special period, effectively assuring the landing of risk control measures during the special period. The Group has assisted the functional departments of the segments and headquarters to implement important risk governance campaigns from the aspects of organization, mechanism and process.

(2) Identification, Assessment and Response Procedures for Major Risks

The Company attaches great importance to the identification and evaluation of major risks based on the risk control information platform, including regulatory requirements, various internal/external risk events, risk information released by external authoritative agencies, etc., and in combination with research and judgment of market and economic situation, identification of major risks that the Company may be faced and the output the “material and important risk pool” to promote the development of major risk assessments.

The risk control management department, together with external experts establishes evaluation criteria based on the likelihood and impact of risks, organizes risk evaluation from both qualitative and quantitative perspectives, selects the top five risks, investigates and analyzes the reasons for the risks, and formulates response measures.

(3) Procedures for Reviewing the Effectiveness of Risk Management and Internal Control System

The Company continued to promote and improve the effectiveness of risk management and internal control system. The review procedures include annual self-assessment on internal control, compliance check, risk control point inspection, internal audit and supervision, etc., At the same time, the Company applied the risk control information platform and bulletin to promote the rectification of internal control deficiencies.

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(4) The Board's Statement on the Effectiveness of the Risk Management and Internal Control System

The Board acknowledges that it is responsible for the effectiveness of the risk management and internal control system. The Board considers that the risk management and internal control system of the Company is effective and that the Company has duly complied with the criteria benchmarks for enterprise internal controls and the requirements of other relevant provisions to maintain effective financial statement internal controls in all material aspects.

Meanwhile, the Board acknowledges that the risk management and internal control system of the Company is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

(5) Procedures and Internal Control Measures for Handling and Disclosing Inside Information

In respect of inside information disclosure procedures and internal control, the Company has promulgated the Information Disclosure Management System 《(信息披露管理制度)》 and the Insider Registration and Management System 《(關於內幕信息知情人登記管理制度)》, set up a supervision regime, specified the scope of inside information and developed the insider registration and archival-filing system. Please refer to "1. Situation of Corporate Governance" of "Part I: Corporate Governance Work Report (Prepared in Accordance with the PRC Securities Regulatory Requirements)" in this chapter hereof for details.

11. OTHERS

Information on Corporate Governance can be accessed on the Company's website at www.cimc.com. You may access such information by following these steps:

1. Go to the Company's homepage, find and click "Investor relationship";
2. Click "Corporate Governance"; and
3. Click on the information you are looking for.

CHAPTER XII

CORPORATE BONDS

Whether the Company has publicly issued corporate bonds that are listed on stock exchanges, undue as at the date approving the issue of the annual report or falling due but not fully repaid.

Yes No

I. BASIC INFORMATION OF CORPORATE BONDS

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Maturity date	Balance of bonds (RMB10 thousand)	Interest rate	Method to repay principal and pay interest
China International Marine Containers (Group) Co., Ltd. on 2018 public offering of renewable corporate bonds (tranche 1) for qualified investors	18 Haiji Y1 (18海集Y1)	112808.SZ	3 December 2018	No fixed maturity date	200,000	4.85%	The interest of the Bonds is paid in installments annually if the Issuer does not exercise the right of deferred payment of interest. The interest of the Bonds shall be accrued as simple interest annually instead of compound interest.
China International Marine Containers (Group) Co., Ltd. on 2019 public offering of corporate bonds (tranche 1) for qualified investors	19 Haiji 01 (19海集01)	112979.SZ	15 October 2019	15 October 2022	200,000	3.63%	The interest of the Bonds shall be paid annually without compound interest and the principal and interest shall be repaid on maturity.
Trading places for the listing or transfer of corporate bonds	Shenzhen Stock Exchange						
Arrangement to ensure the suitability of investors	Offered to the qualified investors by means of the public issue						
Interest payment of corporate bonds during the Reporting Period	The interest of the renewable corporate bonds, "18 Haiji Y1" was repaid on time during the Reporting Period. The interest of the corporate bonds, "19 Haiji 01" was repaid during the Reporting Period.						
Performance of relevant articles during the Reporting Period, if special articles such as issuer or investor option articles and interchangeable articles for corporate bonds (if applicable)	During the Reporting Period, the renewable corporate bonds, "18 Haiji Y1" has not been required to implement the relevant special articles, and still included into equity. PricewaterhouseCoopers Zhong Tian LLP has audited the financial statements for 2020 of the Company and issued an audit report of unqualified opinion, which considered that "18 Haiji Y1" has meet the conditions to be classified as equity instrument and can be used for settlement as equity instrument. There are no special articles in respect of the corporate bonds, "19 Haiji 01"						

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II. INFORMATION ABOUT BOND TRUSTEE AND CREDIT RATING AGENCY

The trustee of the bonds:

Name	CITIC Securities Co., Ltd.	Business address	CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen, Guangdong Province	Contact	Song Yuxi	Tel of contact	0755-23835224
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Credit rating agency for tracking rating of the corporate bonds during the Reporting Period:

Name	China Cheng Xin Securities Credit Rating Co., Ltd.	Business address	24th floor, Anji Mansion, No. 760, Xizangnanlu, Huangpu District, Shanghai
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Reason of change, procedures to be conducted and impacts on benefits of investors, etc. (if applicable) in case the bond trustee and credit rating agency hired by the Company during the Reporting Period have changed	Not Applicable
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III. USE OF PROCEEDS FROM BOND OFFERING

Use of proceeds from and procedures to be fulfilled in bond offering	The renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" have been withdrawn and utilized in accordance with the relevant requirements and procedures of the Company for the purpose as stipulated by the prospectus.
Year-end balance (RMB10 thousand)	The balance of the renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" for the end of the year is RMB0.00.
Operation of special account for the funds raised	The special account for the funds raised of the renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" are under orderly and normally operation.
Consistency of the use of proceeds with the commitments, the planned use and other agreements in the prospectus	The use of proceeds of the renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" is consistent with the commitments, the planned use and other agreements in the prospectus.

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IV. CORPORATE BOND RATING

On 27 May 2020, China Chengxin International Credit Rating Co., Ltd. issued “Credit Rating Report on 2018 public offering of renewable corporate bonds (tranche 1) and 2019 public offering of corporate bonds (tranche 1) of China International Marine Containers (Group) Co., Ltd. for qualified investors (2020)” (《中國國際海運集裝箱(集團)股份有限公司2018年面向合格投資者公開發行可續期公司債券(第一期)、2019年面向合格投資者公開發行公司債券(第一期)跟蹤評級報告(2020)》), and the main credit rating of the Company is AAA with the rating prospect of “Stable”. The result has no difference with the last rating result. The debt financing instruments issued by the Company in the interbank bond market were all ranked AAA with no difference existed.

The rating reports on the Company issued by China Chengxin International Credit Rating Co., Ltd. were published on the website of Shenzhen Stock Exchange (<http://www.szse.cn/>) and the website of China Chengxin International Credit Rating Co., Ltd. (www.ccxi.com.cn).

V. CORPORATE BOND CREDIT ENHANCEMENT MECHANISM, DEBT REPAYMENT SCHEDULE AND OTHER DEBT REPAYMENT SAFEGUARD MEASURES

There is no change in credit enhancement mechanism, debt repayment schedule and other debt repayment safeguard measures of the renewable corporate bonds, “18 Haiji Y1” and the corporate bonds, “19 Haiji 01”.

During the Reporting Period, The Company strictly implemented debt repayment schedule and debt repayment safeguard measures of the renewable corporate bonds, “18 Haiji Y1” and the corporate bonds, “19 Haiji 01”, as disclosed, which are in line with the relevant undertakings provided in the prospectus.

VI. CONVENING OF MEETINGS OF BONDHOLDERS DURING THE REPORTING PERIOD

During the Reporting Period, no bondholder meeting was held by the Company.

CHAPTER XII CORPORATE BONDS

VII. PERFORMANCE OF BOND TRUSTEE DURING THE REPORTING PERIOD

The bond trustee of the Company is China Merchants Securities Co., Ltd. During the Reporting Period, China Merchants Securities Co., Ltd. strictly performed the relevant obligations as the trustee of bonds according to the agreements in the “Bond Trustee Agreement”, including but not limited to continuously overseeing the credit situation and the utilization and management of the funds raised in the special account designated by the Company.

On 22 June 2020, the Company disclosed the “Provisional Trustee Management Report on Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by China Merchants Securities Co., Ltd.” on the Cninfo website. It also disclosed the latest development on the litigation against Enric, a subsidiary of the Company.

On 23 June 2020, the Company disclosed the “Trustee Management Report on 2019 Public Offering of Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by CITIC Securities Company Limited (2019)” on the Cninfo website, including bonds issuance, the operation and finance of issuers for 2019, the utilization of funds raised by issuers and bonds tracking rating.

On 19 August 2020, the Company disclosed the “Provisional Trustee Management Report on Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by China Merchants Securities Co., Ltd.” on the Cninfo website. It also disclosed the latest development on the litigation against Enric, a subsidiary of the Company.

On 1 September 2020, the Company disclosed the “Provisional Trustee Management Report on Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by China Merchants Securities Co., Ltd.” on the Cninfo website. It also disclosed the changes in the Chairman and President of the Company.

On 15 December 2020, the Company disclosed the “Provisional Trustee Management Report on Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by China Merchants Securities Co., Ltd.” on the Cninfo website. It also disclosed the final judgment on the litigation against Enric, a subsidiary of the Company.

As for the potential conflict of interests, China Merchants Securities Co., Ltd. has established comprehensive internal information barriers and firewalls in accordance with the regulatory requirements with a view to guarantee that: (i) the employees of the bond trustee who assume the duties under the “Bond Trustee Agreement” will not be affected by the conflicts of interest; (ii) the confidential information held by the employees of the bond trustee who assume the duties under the “Bond Trustee Agreement” will not be disclosed to any other persons that are irrelevant to the “Bond Trustee Agreement”; (iii) the relevant confidential information will not be used by the bond trustee for any other purpose other than the “Bond Trustee Agreement”; (iv) the inappropriate flow of sensitive information in relation to the “Bond Trustee Agreement” will be avoided and that effective management will be in place for potential conflicts of interest.

CHAPTER XII
CORPORATE BONDS

VIII. MAJOR ACCOUNTING DATA AND FINANCIAL INDEXES OF THE COMPANY FOR THE RECENT TWO YEARS AS AT THE END OF THE REPORTING PERIOD

Unit: RMB thousand

Items	2020	2019	Percentage of change
EBITDA	12,380,329	10,026,910	23.47%
Current ratio	1.10	1.28	(14.06%)
Gearing ratio	63%	68%	(5%)
Quick ratio	0.85	0.69	23.19%
Debt-to-EBITDA ratio	0.25	0.15	66.67%
Interest coverage ratio	3.90	2.60	50.00%
Cash interest coverage ratio	7.11	2.77	156.68%
EBITDA interest coverage ratio	5.44	3.59	51.53%
Loan repayment ratio	100%	100%	-
Interest repayment ratio	100%	100%	-

IX. REDEMPTION OF OTHER BONDS AND DEBT FINANCING INSTRUMENTS DURING THE REPORTING PERIOD

Other than corporate bonds, the Company has other debt financing instruments, such as Super & Short-term Commercial Papers and Medium Term Notes. All debt financing instruments pay the principal and interest on schedule without overdue default.

The Company's other outstanding and unexpired bonds and debt financing instruments as at 31 December 2020 are as follow:

Unit: Year, RMB100 million, %

Bond name	Value date	Maturity date	Offering period	Offering size	Current balance	Current coupon rate
19 Hai Yun Ji Zhuang MTN002	10 October 2019	10 October 2022	3	20	20	3.64
19 Hai Yun Ji Zhuang MTN001	15 April 2019	15 April 2022	3	20	20	4.05
18 Hai Yun Ji Zhuang MTN002	26 October 2018	26 October 2021	3+N	20	20	5.17
18 Hai Yun Ji Zhuang MTN001	17 October 2018	17 October 2021	3	20	20	4.29

CHAPTER XII CORPORATE BONDS

X. BANK CREDIT, USE OF BANKING FACILITIES AND REPAYMENT OF BANK LOANS DURING THE REPORTING PERIOD

As at 31 December 2020, the Company accumulatively obtained total bank facility of RMB178.911 billion, out of which RMB60.429 billion was utilized, and the balance of facility amounted to RMB118.482 billion. During the Reporting Period, the Company has repaid all bank loans on time without extension and reduction.

XI. PERFORMANCE OF RELEVANT AGREEMENT OR COMMITMENT OF THE CORPORATE BOND DURING THE REPORTING PERIOD

During the Reporting Period, the Company has performed the relevant agreements and commitment as stipulated in the prospectus of "18 Haiji Y1" and "19 Haiji 01".

XII. MAJOR ISSUES OCCURRED DURING THE REPORTING PERIOD

During the Reporting Period, CIMC Enric, a subsidiary of the Company, has been given a favourable second-instance judgment in the case regarding the equity transfer disputes with SOEG PTW LTD. Please refer to the "Announcement of China International Marine Containers (Group) Co., Ltd. in relation to the Progress of the Significant Litigation of a Subsidiary" published on the Cninfo website (www.cninfo.com.cn) on 15 June 2020, 12 August 2020 and 9 December 2020 for details.

During the Reporting Period, there were changes in the Chairman and President of the Company. Please refer to the "Announcement of Resignation of Chairman and President of China International Marine Containers (Group) Co., Ltd." and "Announcement Resolution of the 12th Meeting of the Ninth Session of the Board in 2020 of China International Marine Containers (Group) Co., Ltd." published on the Cninfo website (www.cninfo.com.cn) on 27 August 2020 for details.

XIII. GUARANTOR FOR THE CORPORATE BOND

Yes No

The guarantor of the Company is legal person or other organization

Yes No Not Applicable

Whether guarantor's financial statement for the Reporting Period, including balance sheet, statement of profits, statement of cash flows, statement of changes in owners' equity and notes to the financial statement shall be disclosed within four months commencing from the closing date of each financial year

Yes No Not Applicable

CHAPTER XIII AUDITOR'S REPORT



普华永道

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To the Shareholders of China International Marine Containers (Group) Co., Ltd.

OPINION

What we have audited

We have audited the accompanying financial statements of China International Marine Containers (Group) Co., Ltd. (hereinafter "CIMC", "**the Group**"), which comprise:

- the consolidated and company balance sheets as at 31 December 2020;
- the consolidated and company income statements for the year then ended;
- the consolidated and company cash flow statements for the year then ended;
- the consolidated and company statements of changes in shareholders' equity for the year then ended; and
- notes to the financial statements.

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of CIMC as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises ("**CASs**").

BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("**CSAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of CIMC in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("**CICPA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

1. Impairment of relevant assets in the offshore engineering asset group
2. Impairment of accounts receivables and long-term receivables
3. Impairment of goodwill

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Impairment of relevant assets in the offshore engineering asset group</p> <p>Refer to Note II.11 – Accounting policy of inventories, Note II.20 – Accounting policy of impairment of long-term assets, Note II.33(2) – Critical accounting estimates and judgements on impairment of long-term assets, Note II.33(3) – Critical accounting estimates and judgements on provision for impairment of inventories, Note IV.9 – Inventories, Note IV.19 – Fixed assets and Note IV.20 – Construction in progress to the financial statements.</p> <p>As at 31 December 2020, the carrying amount of offshore engineering project in inventories amounted to RMB1,352,100,000, the carrying amount of offshore engineering equipment in fixed assets amounted to RMB17,523,188,000, and the carrying amount of offshore engineering equipment in construction in progress amounted to RMB7,547,004,000.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> – We evaluated and validated the effectiveness of internal controls regarding impairment assessment of relevant assets in offshore engineering asset group, including the adoption of key assumptions and the review and approval of impairment provision. And by considering the degree of uncertainty in impairment estimation and the level of other inherent risk factors, we assessed the inherent risk of material misstatement. – We evaluated the competency, professionalism and objectivity of the independent external valuer.

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AUDITOR'S REPORT

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Impairment of relevant assets in offshore engineering asset group (Continued)</p> <p>Based on the comparison between the net realizable value of the inventory and the book value, the management recognized inventory impairment loss of RMB167,833,000 for the offshore engineering projects of the inventory in the 2020 consolidated income statement. Management has engaged an independent external valuer to perform the valuation on the fair value of relevant assets, which show an indication of impairment in the offshore engineering asset group. Based on the valuation results, impairment loss of RMB49,335,000 towards offshore engineering equipment in fixed assets and RMB63,525,000 towards offshore engineering equipment in construction in progress have been recognized in the 2020 consolidated income statement.</p> <p>Net realisable value of inventories was reviewed by the management at the balance sheet date, and as a result, provision for impairment of inventory was recognized for the excess of inventories' carrying amounts over their net realisable value. Net realisable value was the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and related taxes.</p>	<p>– We performed the following procedures on net realisable value of inventories:</p> <p>(1) We compared the estimated selling price used by the management with the latest inquiry results of inventory, and obtained an inventory inquiry quotation, checked the business background of the quoting party, and assessed its purchasing power to determine the enforceability of the quotation.</p> <p>(2) We analysed the rationality of estimated costs of completion, the estimated costs necessary to make the sale and related taxes by comparing the management's estimation against the historical data; and we also checked the accuracy of the calculation.</p> <p>– We obtained the impairment test worksheets provided by the management with the assistance of an independent external appraisal agency and performed the following procedures on testing the recoverable amount of fixed assets and construction in progress:</p> <p>(1) We tested the mathematical accuracy of the calculations.</p> <p>(2) We evaluated the valuation model used in management testing by involving our internal valuation experts.</p> <p>(3) We compared management's forecast of 2020 in 2019 impairment test worksheet against the actual performance in 2020 to check whether there is management bias in the impairment assessment process.</p>

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Impairment of relevant assets in offshore engineering asset group (Continued)</p> <p>Determination of estimated selling price, estimated costs of completion, and estimated costs necessary to make the sale and related taxes requires significant judgements and consideration of historical conditions and future market trends.</p> <p>At the balance sheet date, the management assessed whether there was any indication that the fixed assets and construction in progress were impaired and further impairment test would be performed on those with impairment indicator. If the result of the impairment test indicates the recoverable amount of fixed assets or construction in progress is less than its carrying amount, the difference shall be accounted for as impairment loss and included in the impairment loss. The recoverable amount is the higher of the asset's fair value less cost to sell and the present value of the future cash flows expected to be derived from the asset.</p> <p>The management has used the present value of future cash flow method for impairment test. The key assumptions used by the management for impairment test include future rentals, utilisation rates, future cost and discount rates.</p> <p>We focused on this area due to the fact that significant judgments were involved in impairment identification and assessment process of relevant assets in offshore engineering asset group.</p>	<p>(4) We assessed the rationality of management's prediction on the rentals, utilisation rates and maintenance cost based on the rentals, market demands, utilisation rates, maintenance cost, and the peak and lowest levels of historical rental of platforms in the current open market and of the Group's similar platforms.</p> <p>(5) We checked the construction contracts to assess the rationality of future capital cost for construction in progress.</p> <p>(6) We evaluated the discount rates by involving our internal valuation experts.</p> <p>(7) We performed sensitivity test on growth rates, utilisation rates and discount rates of future rentals.</p> <p>Based on our work performed, we found that management's key assumptions on impairment test of relevant assets in the offshore engineering asset group were supported by the evidence we gathered.</p>

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>2. Impairment of accounts receivables and long-term receivables</p> <p>Refer to Note II.9 – Accounting policy of financial instruments, Note II.33(1) – Critical accounting estimates and judgements on measurement of expected credit losses, Note IV.5 – Accounts receivables, Note IV.11– Current proportion of non-current assets and Note IV.16 – Long-term receivables to the financial statements.</p> <p>As at 31 December 2020, the net carrying amount of accounts receivables of the Group in the consolidated balance sheet amounted to RMB18,635,765,000; the carrying amount of net long-term receivables (including those due within one year) of the Group in the consolidated balance sheet amounted to RMB16,126,813,000, together representing approximately 23.78% of the Group's total assets. In 2020, the Group recognized bad debt loss of RMB245,443,000 and impairment loss of RMB140,763,000 towards accounts receivables and long-term receivables (including those due within one year) respectively, in the consolidated income statement.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> – We performed the following procedures on the impairment of accounts receivables: <ol style="list-style-type: none"> (1) We evaluated and validated the effectiveness of internal controls over the assessment of the expected credit losses of accounts receivables, including management's grouping on accounts receivables based on shared credit risk characteristics, the review and approval of key assumptions adoption. And we assessed the inherent risk of material misstatement by considering the degree of uncertainty in the expected credit loss estimates and the level of other inherent risk factors. (2) We obtained and tested the accuracy of aging analysis worksheets of accounts receivables prepared by management, by checking sales invoices on a sample basis. (3) We assessed the rationality of management's measurement of expected credit losses by examining subsequent settlements on a sample basis, taking into account of the customer's credit history, business performance and financial capability, the macroeconomic scenario, the industry trend and market development.

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>2. Impairment of accounts receivables and long-term receivables (Continued)</p> <p>To measure the lifetime expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics. The key assumptions include historical credit losses, overdue days and both current and forecast economic conditions.</p> <p>To measure the expected credit losses of long-term receivables, the management uses models and assumptions, including the credit situation of the lessee/customer, the historical loss rate, and the period that historical loss occurred.</p> <p>We focused on this area due to the fact that significant judgments were involved in measuring expected credit losses of accounts receivables and finance lease receivables.</p>	<p>– We performed the following procedures on the impairment of long-term receivables:</p> <p>(1) We evaluated and validated the effectiveness of internal controls over the assessment of the expected credit losses of long-term receivables, including management's review and approval of key assumptions adoption. And we assessed the inherent risk of material misstatement by considering the degree of uncertainty in the expected credit loss estimates and the level of other inherent risk factors.</p> <p>(2) We obtained the expected credit losses calculation model of the management and evaluated the rationality of stage division as well as the key assumptions used in the model analysis, including similar credit risks, historical loss rates, and loss occurrence period, based on internal historical loss data of the Group and the industry condition of lessee/customer; we also evaluated the rationality of determination of macroeconomic scenario and weight allocation by comparing with industry standards.</p> <p>(3) We examined the management's analysis on the value of the leased property, and financial condition of the lessee/customer and the guarantor, on a sample basis.</p> <p>Based on our work performed, we found that management's key assumptions on impairment test of accounts receivables and long-term receivables were supported by the evidence we gathered.</p>

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>3. Impairment of goodwill</p> <p>Refer to Note II.20 – Accounting policy of impairment of long-term assets, Note II.33(2) – Critical accounting estimates and judgements on impairment of long-term assets and Note IV.23 – Goodwill to the financial statements.</p> <p>As at 31 December 2020, the net carrying amount of goodwill of the Group in the consolidated balance sheet amounted to RMB2,177,426,000, among which RMB953,040,000 was allocated to the energy, chemicals and liquid food equipment asset group, RMB422,276,000 was allocated to the road transportation vehicles asset group, and RMB379,974,000 was allocated to the airport, fire and automation logistics equipment business asset group. In 2020, the Group recognized impairment loss of RMB83,654,000 towards goodwill allocated to the energy, chemicals and liquid food equipment asset group, the road transportation vehicles asset group and the airport, fire and automation logistics equipment business asset group in the consolidated income statement.</p> <p>The management made the corresponding impairment provision based on the difference between recoverable amount and carrying amount of relevant asset groups or combination of asset groups those include the allocated goodwill. The key assumptions applied include future revenue growth rates, gross margins, expense rates and discount rates.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> – We evaluated and validated the effectiveness of the internal controls regarding goodwill impairment test, including the adoption of key assumptions and the review and approval of impairment provision. And by considering the degree of uncertainty in impairment estimation and the level of other inherent risk factors, we assessed the inherent risk of material misstatement. – We obtained management's worksheets of impairment of goodwill. – We assessed whether the goodwill was allocated to the relevant asset groups or combination of asset groups in a reasonable way. – We tested the mathematical accuracy of the calculations. – We compared management's forecast of 2020 in 2019 goodwill impairment worksheets against the actual performance in 2020 to check whether there is management bias in the goodwill impairment assessment process. – We analysed the rationality of management's assumptions of future revenue growth rates, gross margins and expense rates by considering the historical operations of the relevant asset groups, the industry trends, emerging market opportunities and cost savings due to economies of scale.

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>3. Impairment of goodwill (Continued)</p> <p>We focused on this area due to the fact that significant and complex judgements were involved in key assumption of assessing the goodwill impairment.</p>	<ul style="list-style-type: none"> - We evaluated the discount rates by involving our internal valuation experts. - We performed sensitivity test on gross margins and discount rates. <p>Based on our work performed, we found that management's key assumptions in goodwill impairment test were supported by the evidence we gathered.</p>

OTHER INFORMATION

Management of CIMC is responsible for the other information. The other information comprises all of the information included in 2020 annual report of CIMC other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND AUDIT COMMITTEE FOR THE FINANCIAL STATEMENTS

Management of CIMC is responsible for the preparation and fair presentation of these financial statements in accordance with the CASS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing CIMC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate CIMC or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing CIMC's financial reporting process.

CHAPTER XIII AUDITOR'S REPORT

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CIMC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CIMC to cease to continue as a going concern.
- (5) Evaluate the overall presentation including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the CIMC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of CIMC audit. We remain solely responsible for our audit opinion.

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

We communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Zhong Tian LLP

Certified Public Accountant

Cao Cui Li
(Engagement Partner)

Shanghai, the People's Republic of China
29 March 2021

Certified Public Accountant

Guo Su Hong

CHAPTER XIV
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2020
(All amounts in RMB'000)
(English Translation for Reference Only)

CONSOLIDATED BALANCE SHEET

	Note	31 December 2020	31 December 2019
ASSETS			
Current assets:			
Cash at bank and on hand	IV.1	12,181,415	9,714,792
Financial assets held for trading	IV.2	198,279	415,503
Derivative financial assets	IV.3	768,058	100,980
Notes receivables	IV.4	362,002	636,619
Accounts receivables	IV.5	18,635,765	18,394,971
Receivables financing	IV.6	1,544,177	1,236,504
Advances to suppliers	IV.8	3,334,613	2,887,353
Other receivables	IV.7	6,747,538	7,591,488
Inventories	IV.9	15,472,164	41,302,279
Contract assets	IV.10	2,383,663	1,946,010
Assets held for sale		50,832	93,102
Current portion of non-current assets	IV.11	4,149,537	4,294,669
Other current assets	IV.12	1,313,698	1,408,857
Total current assets		67,141,741	90,023,127
Non-current assets:			
Other debt investments	IV.13	—	31,272
Long-term receivables	IV.16	11,977,276	13,777,669
Long-term equity investments	IV.17	9,098,584	5,363,574
Other equity investments	IV.14	1,171,358	1,373,385
Other non-current financial assets	IV.15	102,490	74,445
Investment properties	IV.18	1,437,970	2,769,715
Fixed assets	IV.19	35,311,661	37,849,258
Construction in progress	IV.20	9,833,329	9,827,563
Intangible assets	IV.21	4,812,178	5,157,551
Right-of-use assets	IV.22	785,044	971,211
Development expenditures	IV.21	60,765	94,078
Goodwill	IV.23	2,177,426	2,182,326
Long-term prepaid expenses	IV.24	558,382	753,154
Deferred tax assets	IV.25	1,674,329	1,800,265
Other non-current assets	IV.26	68,978	58,928
Total non-current assets		79,069,770	82,084,394
TOTAL ASSETS		146,211,511	172,107,521

CHAPTER XIV

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2020

(All amounts in RMB'000)

(English Translation for Reference Only)

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	31 December 2020	31 December 2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.29	8,416,701	17,557,197
Derivative financial liabilities	IV.3	747,781	352,167
Financial liabilities held for trading		20,000	–
Notes payables	IV.30	3,829,510	2,581,139
Accounts payables	IV.31	13,447,074	12,745,264
Advances from customers	IV.32	4,070	40,683
Contract liabilities	IV.33	6,101,765	9,000,821
Employee benefits payable	IV.34	3,366,392	3,441,555
Taxes payable	IV.35	1,483,209	1,851,771
Other payables	IV.36	7,089,596	11,877,217
Provisions	IV.37	1,392,845	1,482,975
Current portion of non-current liabilities	IV.38	14,585,373	9,616,415
Other current liabilities	IV.39	410,712	4,106
Total current liabilities		60,895,028	70,551,310
Non-current liabilities:			
Long-term borrowings	IV.40	19,562,326	30,918,302
Debentures payable	IV.41	6,089,486	8,014,049
Lease Liabilities	IV.42	617,794	667,964
Long-term payables		71,994	108,227
Deferred income	IV.43	1,177,661	1,096,605
Deferred tax liabilities	IV.25	3,882,302	4,330,065
Other non-current liabilities	IV.44	61,076	1,383,021
Total non-current liabilities		31,462,639	46,518,233
Total liabilities		92,357,667	117,069,543
Shareholders' equity:			
Share capital	IV.45	3,595,014	3,584,504
Other equity instruments	IV.46	4,308,042	4,007,545
Including: Perpetual bonds		4,308,042	4,007,545
Capital reserve	IV.47	5,463,205	4,881,311
Other comprehensive income	IV.48	920,769	1,715,326
Surplus reserve	IV.49	3,587,597	3,582,343
Undistributed profits	IV.50	26,142,889	21,482,857
Total equity attributable to shareholders and other equity holders of the Company		44,017,516	39,253,886
Minority interests		9,836,328	15,784,092
Total shareholders' equity		53,853,844	55,037,978
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		146,211,511	172,107,521

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

CHAPTER XIV
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2020
(All amounts in RMB'000)
(English Translation for Reference Only)

BALANCE SHEET

	Note	31 December 2020	31 December 2019
ASSETS			
Current assets:			
Cash at bank and on hand	XVIII.1	913,332	1,576,298
Derivative financial assets	XVIII.2	100,995	4,781
Notes receivables		-	100
Accounts receivables		138,810	354,266
Other receivables	XVIII.3	26,634,674	25,305,009
Other current assets		-	96
Total current assets		27,787,811	27,240,550
Non-current assets:			
Other equity investments	XVIII.4	621,535	728,037
Long-term equity investments	XVIII.5	13,951,286	12,836,563
Investment properties		118,265	117,347
Fixed assets	XVIII.6	127,818	133,544
Construction in progress		36,224	43,687
Intangible assets		108,757	89,776
Long-term prepaid expenses		5,129	10,280
Deferred tax assets	XVIII.13	-	56,075
Total non-current assets		14,969,014	14,015,309
TOTAL ASSETS		42,756,825	41,255,859

CHAPTER XIV

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2020

(All amounts in RMB'000)

(English Translation for Reference Only)

BALANCE SHEET (CONTINUED)

	Note	31 December 2020	31 December 2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	XVIII.7	3,255,949	6,460,000
Derivative financial liabilities	XVIII.2	–	3,379
Employee benefits payable		59,346	342,521
Taxes payable	XVIII.8	18,805	23,792
Other payables	XVIII.9	1,259,633	788,871
Current portion of non-current liabilities	XVIII.10	3,738,326	800,000
Total current liabilities		8,332,059	8,418,563
Non-current liabilities:			
Long-term borrowings	XVIII.11	4,807,935	3,409,000
Debentures payable	XVIII.12	6,089,486	8,000,000
Provisions		–	18,680
Deferred income		10,500	14,680
Total non-current liabilities		10,907,921	11,442,360
Total liabilities		19,239,980	19,860,923
Shareholders' equity:			
Share capital	IV.45	3,595,014	3,584,504
Other equity instruments	IV.46	4,308,042	4,007,545
Including: Perpetual bonds		4,308,042	4,007,545
Capital reserve	XVIII.14	2,831,352	2,758,230
Other comprehensive income	XVIII.15	352,298	470,500
Surplus reserve	IV.49	3,587,597	3,582,343
Undistributed profits	XVIII.16	8,842,542	6,991,814
Total equity attributable to shareholders and other equity holders		23,516,845	21,394,936
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		42,756,825	41,255,859

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
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CHAPTER XIV
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB'000)
(English Translation for Reference Only)

CONSOLIDATED INCOME STATEMENT

	Note	2020	2019
I. Revenue	IV.52	94,159,083	85,815,341
Less: Cost of sales	IV.52	80,714,871	73,355,605
Taxes and surcharges	IV.53	709,016	706,768
Selling and distribution expenses	IV.54	1,990,076	2,297,273
General and administrative expenses	IV.55	4,896,341	5,204,271
Research and development expenses	IV.56	1,608,704	1,437,046
Financial expenses	IV.57	2,096,553	1,276,165
Including: Interest expenses		1,592,103	1,634,747
Interest income		319,578	490,214
Asset impairment losses	IV.63	582,437	5,225,309
Credit losses	IV.64	394,811	520,284
Add: Other income	IV.62	712,117	893,366
Investment income	IV.60	5,300,880	326,936
Including: Share of profit of associates and joint ventures		473,599	34,819
Fair value gains/(losses)	IV.59	144,853	(156,752)
Gains on disposals of assets	IV.61	115,503	8,982,577
II. Operating profit		7,439,627	5,838,747
Add: Non-operating income	IV.65	248,615	198,534
Less: Non-operating expenses	IV.66	397,836	423,407
III. Profit before income tax		7,290,406	5,613,874
Less: Income tax expenses	IV.67	1,278,666	3,103,761
IV. Net profit		6,011,740	2,510,113
Classified by business continuity			
Net profit from continuing operations		1,196,597	1,812,164
Net profit from discontinued operations	XII	4,815,143	697,949
Classified by ownership			
Owners of the Company		5,349,613	1,542,226
Non-controlling interests		662,127	967,887

CHAPTER XIV

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020
 (All amounts in RMB'000)
 (English Translation for Reference Only)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

	Note	2020	2019
V. Other comprehensive income, net of tax	IV.48	(1,011,469)	1,075,476
Attributable to shareholders and other equity holders of the Company		(794,557)	876,615
Items that will not be reclassified to profit or loss		(131,175)	236,677
Changes in value of other equity investments		(131,175)	236,677
Items that may be reclassified subsequently to profit or loss		(663,382)	639,938
Changes in value of other debt investments		(2,282)	683
Loss of cash flow hedges		(2,578)	(142)
Revaluation gain on the date of transfer from owner-occupied properties to investment properties		–	188,210
The share of other comprehensive income that will be reclassified into profit or loss in the equity method		(7,925)	–
Transfer of other comprehensive income from the sale of investment properties		(352,050)	–
Currency translation differences		(298,547)	451,187
Minority interests		(216,912)	198,861
VI. Total comprehensive income		5,000,271	3,585,589
Attributable to shareholders and other equity holders of the Company		4,555,056	2,418,841
Minority interests		445,215	1,166,748
VII. Earnings per share			
Basic earnings per share (RMB)	IV.68	1.41	0.37
Diluted earnings per share (RMB)	IV.68	1.41	0.37

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person:

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The head of the accounting
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CHAPTER XIV
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB'000)
(English Translation for Reference Only)

INCOME STATEMENT

	Note	2020	2019
I. Revenue	XVIII.17	238,648	475,277
Less: Cost of sales	XVIII.17	–	2,129
Taxes and surcharges		8,559	8,055
General and administrative expenses	XVIII.19	183,541	323,836
Research and development expenses	XVIII.19	3,168	1,801
Financial expenses	XVIII.18	1,171,948	697,799
Including: Interest expenses		770,096	902,334
Interest income		38,405	83,287
Asset impairment losses		–	336,550
Add: Other income		28,429	8,020
Investment income	XVIII.20	3,612,823	7,294,871
Fair value gains/(losses)		100,512	(3,332)
Gains/(Losses) of disposal of assets		3,177	(250)
II. Operating profit		2,616,373	6,404,416
Add: Non-operating income		387	3,110
Less: Non-operating expenses	XVIII.21	376	18,883
III. Profit before income tax		2,616,384	6,388,643
Less: Income tax expenses	XVIII.22	56,075	5,289
IV. Net profit		2,560,309	6,383,354
Classified by business continuity			
Net profit from continuing operations		2,560,309	6,383,354
Net profit from discontinued operations		–	–
V. Other comprehensive income, net of tax	XVIII.15	(118,202)	126,378
Items that will not be reclassified to profit or loss		(118,202)	38,764
Changes in value of other equity investments		(118,202)	38,764
Other comprehensive income that will be reclassified into profit and loss		–	87,614
Revaluation gain on the date of transferring from owner-occupied properties to investment properties		–	87,614
VI. Total comprehensive income		2,442,107	6,509,732

The accompanying notes form an integral part of these financial statements.

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CHAPTER XIV

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020
 (All amounts in RMB'000)
 (English Translation for Reference Only)

CONSOLIDATED CASH FLOW STATEMENT

	Note	2020	2019
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		95,689,030	86,290,098
Refund of taxes and surcharges		1,991,720	2,487,072
Cash received relating to other operating activities	IV.69(1)	1,643,285	1,387,982
Sub-total of cash inflows		99,324,035	90,165,152
Cash paid for goods and services		70,978,896	72,757,136
Cash paid to and on behalf of employees		8,863,247	7,817,017
Payments of taxes and surcharges		3,233,138	2,713,118
Cash paid relating to other operating activities	IV.69(2)	3,438,268	3,339,359
Sub-total of cash outflows		86,513,549	86,626,630
Net cash inflows from operating activities	IV.70(1)	12,810,486	3,538,522
II. Cash flows from investing activities			
Cash received from disposal of investments		696,412	64,432
Cash received from returns on investments		496,170	198,926
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		931,401	1,062,021
Sub-total of cash inflows		2,123,983	1,325,379
Net cash outflows/(inflows) from disposal of subsidiaries	IV.70(3)	1,197,764	(164,896)
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,318,846	6,566,372
Cash paid to acquire investments		1,056,476	3,600,310
Net cash paid to acquire subsidiaries	IV.70(2)	89,701	407,750
Sub-total of cash outflows		5,662,787	10,409,536
Net cash outflows from investing activities		(3,538,804)	(9,084,157)

CHAPTER XIV
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB'000)
(English Translation for Reference Only)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Note	2020	2019
III. Cash flows from financing activities			
Cash received from capital contributions		1,473,310	2,738,638
Including: Cash received from capital contributions by minority shareholders of subsidiaries		1,389,679	2,718,098
Cash received from borrowings		38,421,082	75,144,266
Cash received from issuing bonds		2,000,000	6,000,000
Cash received relating to other financing activities	IV.69(3)	2,486,862	3,524,379
Sub-total of cash inflows		44,381,254	87,407,283
Cash repayments of borrowings		46,488,402	78,675,326
Cash payments for distribution of dividends or profits and interest expenses		3,474,547	4,839,082
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		817,571	451,922
Cash payments relating to other financing activities	IV.69(4)	957,869	279,233
Sub-total of cash outflows		50,920,818	83,793,641
Net cash (outflows)/inflows from financing activities		(6,539,564)	3,613,642
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(181,763)	59,125
V. Net increase/(decrease) in cash and cash equivalents	IV.70(1)	2,550,355	(1,872,868)
Add: Cash and cash equivalents at the beginning of the year		8,659,885	10,532,753
VI. Cash and cash equivalents at the end of the year	IV.70(4)	11,210,240	8,659,885

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

CHAPTER XIV

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB'000)
(English Translation for Reference Only)

CASH FLOW STATEMENT

	Note	2020	2019
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		422,561	330,953
Cash received relating to other operating activities		1,376,588	1,026,622
Sub-total of cash inflows		1,799,149	1,357,575
Cash paid for goods and services		–	2,356
Cash paid to and on behalf of employees		334,432	164,218
Payments of taxes and surcharges		69,775	49,599
Cash paid relating to other operating activities		2,198,290	2,367,594
Sub-total of cash outflows		2,602,497	2,583,767
Net cash outflows from operating activities	XVIII.23	(803,348)	(1,226,192)
II. Cash flows from investing activities			
Cash received from disposal of investments		1,100,000	–
Cash received from returns on investments		3,127,837	6,548,713
Net cash received from disposal of fixed assets		3,859	219
Net Cash received from disposal of subsidiaries		338,353	49,223
Sub-total of cash inflows		4,570,049	6,598,155
Cash paid to acquire fixed assets and other long-term assets		26,495	42,883
Cash paid for investment		–	100,000
Net cash paid to acquire subsidiaries		1,357,141	1,656,119
Cash paid for other investment activities		8,899	–
Sub-total of cash outflows		1,392,535	1,799,002
Net cash inflows from investing activities		3,177,514	4,799,153
III. Cash flows from financing activities			
Cash received from investment		93,620	10,833
Cash received from borrowings		23,260,443	24,980,000
Cash received from issuing bonds		2,000,000	6,000,000
Sub-total of cash inflows		25,354,063	30,990,833
Cash repayments of borrowings		25,873,895	32,199,000
Cash payments for distribution of dividends or profits and interest expenses		1,394,153	2,602,484
Cash payments relating to other financing activities		18,149	30,889
Sub-total of cash outflows		27,286,197	34,832,373
Net cash (outflows)/inflows from financing activities		(1,932,134)	(3,841,540)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(2,534)	150
V. Net increase/(decrease) in cash and cash equivalents	XVIII.23	439,498	(268,429)
Add: Cash and cash equivalents at the beginning of the year		452,966	721,395
VI. Cash and cash equivalents at the end of the year	XVIII.23	892,464	452,966

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CHAPTER XIV FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASB

FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB'000)
English Translation for Reference Only

Item	Note	2020						2019									
		Attributable to shareholders and other equity holders of the parent			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the parent			Attributable to shareholders and other equity holders of the Company						
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
I. Balance at 31 December 2019		3,594,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978	2,984,989	4,007,545	4,128,400	838,711	3,282,355	22,882,789	15,077,989	52,402,988
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2020		3,594,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978	2,984,989	4,007,545	4,128,400	838,711	3,282,355	22,882,789	15,077,989	52,402,988
III. Movements for the year																	
(i) Total comprehensive income																	
1. Net profit	II.48	-	273,979	-	-	-	5,075,634	662,127	6,011,740	-	200,400	-	-	1,341,266	967,887	2,510,113	
2. Other comprehensive income	II.48	-	-	-	(794,557)	-	-	(216,912)	(1,011,469)	-	-	-	876,615	-	198,861	1,075,476	
Sub-total of I&II		-	273,979	-	(794,557)	-	5,075,634	445,215	5,000,271	-	200,400	-	876,615	1,341,266	1,166,748	3,585,589	
(ii) Capital contribution and withdrawal by owners																	
1. Increase in capital reserve resulted from share option exercised by company	II.46	-	-	73,122	-	-	-	-	83,632	-	-	18,113	-	-	-	-	20,540
2. Contributions by minority shareholders	II.48	10,510	-	501,092	-	-	-	863,338	1,364,630	-	-	15,669	-	-	-	2,729,045	2,744,714
3. Increase in minority interests resulted from acquisition or establishment of subsidiary		-	-	-	-	-	-	97,262	97,262	-	-	-	-	-	-	453,984	453,984
4. Decrease in capital reserve resulted from acquisition of minority interest	II.48	-	-	(103,943)	-	-	-	(576,145)	(680,088)	-	-	506	-	-	-	(84,347)	(83,841)
5. Disposal of subsidiaries (without loss control)	II.48	-	-	-	-	-	-	-	-	-	23,150	-	-	-	-	(8,088,425)	(8,065,275)
6. Disposal of subsidiaries (lose control)		-	-	-	-	-	-	(5,361,178)	(5,361,178)	-	-	-	-	-	-	(92,489)	(92,489)
7. Increase in capital reserve resulted from share option exercised by subsidiary	II.48	-	-	(763)	-	-	-	(2,009)	(2,772)	-	-	(1,487)	-	-	-	45,905	44,418
8. Increase in shareholders' equity resulted from share-based payments	0&2	-	-	103,938	-	-	-	537	104,495	-	39,326	-	-	-	18,042	-	57,368
9. Redemption (loss)/right granted to minority shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Issuance of other equity instruments	II.47	-	2,000,000	-	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-
11. Redemption of other equity instruments	II.47	-	(1,700,000)	-	-	-	-	-	(1,700,000)	-	-	-	-	-	-	-	-
12. Reverse the repair of share right granted to minority shareholders	II.48	-	-	-	-	-	-	-	-	-	1,249,826	-	-	-	-	-	1,249,826
13. Increase in capital from capital reserve	II.48	-	-	-	-	-	-	-	-	97,088	(697,088)	-	-	-	-	-	-
14. Others	II.48	-	-	8,428	-	-	20,000	-	28,428	-	-	4,896	-	-	-	-	4,896
(iii) Profit distribution																	
1. Appropriation to surplus reserves	II.50	-	-	-	-	5,254	(5,254)	-	-	-	-	-	-	299,738	(299,738)	-	-
2. Profit distribution to shareholders	II.51	-	-	-	-	-	(430,348)	(814,984)	(1,245,332)	-	-	-	-	(1,641,930)	(447,280)	-	(2,089,340)
3. Interest paid on other equity instruments	II.47	-	(273,462)	-	-	-	-	-	(273,462)	(200,400)	-	-	-	-	-	-	(200,400)
IV. Balance at 31 December 2020		3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,883,228	53,853,844	3,584,504	4,007,545	4,881,311	1,715,326	3,582,343	21,882,857	15,784,092	55,037,978

The accompanying notes form an integral part of these financial statements

Legal representative's authorised person: The person in charge of accounting affairs:

The head of the accounting department:

CHAPTER XIV

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB'000)

English Translation for Reference Only

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Item	Note	2020							2019						
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2019		3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936	2,984,989	4,007,545	3,337,205	344,122	3,282,595	2,730,598	16,707,044
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2020		3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936	2,984,989	4,007,545	3,337,205	344,122	3,282,595	2,730,598	16,707,044
III. Movements for the year		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income		-	273,979	-	-	-	2,286,330	2,560,309	-	200,400	-	-	-	6,182,954	6,383,354
1. Net profit		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Other comprehensive income	XVIII.14	-	-	-	(118,202)	-	-	(118,202)	-	-	-	126,378	-	-	126,378
Sub-total of I&2		-	273,979	-	(118,202)	-	2,286,330	2,442,107	-	200,400	-	126,378	-	6,182,954	6,509,732
(II) Capital contribution and withdrawal by owners		-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Increase in shareholders' equity resulted from share-based payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in capital reserve resulted from share option exercised by company	IV.45	-	-	73,122	-	-	-	83,632	2,427	-	18,113	-	-	-	20,540
3. Issuance of other equity instruments	IV.46	-	2,000,000	-	-	-	-	2,000,000	-	-	-	-	-	-	-
4. Redemption of other equity instruments	IV.46	-	(1,700,000)	-	-	-	-	(1,700,000)	-	-	-	-	-	-	-
5. Increase in capital from capital reserve		-	-	-	-	-	-	-	597,088	(597,088)	-	-	-	-	-
(III) Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserves	IV.49	-	-	-	-	5,254	(5,254)	-	-	-	-	-	299,758	(299,758)	-
2. Profit distribution to shareholders	IV.50	-	-	-	-	-	(430,348)	(430,348)	-	-	-	-	-	(1,641,980)	(1,641,980)
3. Interest paid on other equity instruments	IV.46	-	(273,482)	-	-	-	-	(273,482)	-	(200,400)	-	-	-	(200,400)	(200,400)
IV. Balance at 31 December 2020		3,595,014	4,308,042	2,831,352	352,298	3,587,597	8,842,542	23,516,845	3,584,504	4,007,545	2,738,230	470,500	3,582,343	6,991,814	21,394,936

The accompanying notes form an integral part of these financial statements.

Legal representative's authorised person: _____

The person in charge of accounting affairs: _____

The head of the accounting department: _____

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NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

China International Marine Containers (Group) Co., Ltd. (the “**Company**”), formerly “China International Marine Containers Co., Ltd.”, was a Sino-foreign joint venture set up by China Merchants Group, the East Asiatic Company (Denmark) and Ocean Containers Inc. (USA). In December 1992, as approved by “Shen Fu Ban Fu [1992] 1736” issued by the General Office of the People’s Government of Shenzhen and “Shen Ren Yin Fu Zi (1992) 261” issued by Shenzhen Special Economic Zone Branch of People’s Bank of China, the Company was restructured as an incorporated company set up by directional subscription and was renamed as “China International Marine Containers Co., Ltd.” by the original corporate shareholders of the Company. On 31 December 1993 and 17 January 1994 respectively, the Company issued ordinary shares denominated in Renminbi for domestic investors (A Shares) and for foreign shares issued domestically (B Shares), and commenced trading on Shenzhen Stock Exchange. Pursuant to “Shen Fu Ban Fu [1993] 925” issued by the General Office of the People’s Government of Shenzhen and “Shen Zheng Ban Fu [1994] 22” issued by Shenzhen Securities Administration Office On 1 December 1995, as approved by the State Administration of Industry and Commerce, the Company changed its name to “China International Marine Containers (Group) Co., Ltd”. The Registered Address and Address of Head Office of the company is 8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC.

On 19 December 2012, the Company’s domestically listed foreign shares (B shares) changed listing location and went publication on the main market of the Hong Kong Stock Exchange through the way of introduction. Henceforth, all the Company’s B shares converted to overseas listed foreign shares (H shares).

On 12 October 2020, the company’s shareholder COSCO Shipping Development Co., Ltd. and its subsidiaries signed a share transfer agreement with Shenzhen Capital Holdings Co., Ltd. and its subsidiaries. On December 18, 2020, the share transfer was completed. Shenzhen Capital Holdings Co., Ltd. and its subsidiaries held 29.74% of the company’s equity and became the company’s largest shareholder.

The principal activities of the Company and its subsidiaries (together referred to as the “**Group**”) are the manufacturing of modern transportation facilities, facilities for energy, food, chemistry and rendering of relative services. Detailed activities are the manufacturing and repairing of containers and other relevant business; utilizing the Group’s equipment to process and manufacture various parts, structure components and relevant machines; providing cutting, punching, moulding, riveting surface treatment (including sand/paint spraying, welding and assembly) and other processing services; developing, manufacturing and selling of various high-tech and high performance special vehicles, heavy truck, airport equipment, fire-engine and semi-trailers; leasing of containers; developing, production and sales of high-end fuel gas equipments such as pressure container and compressor; providing integrated services for natural gas distribution; production of static container and pot-type wharf equipments and providing EP+CS (engineering procurement and construction supervision) technical service for the storage and processing of LNG, LPG and other petrochemical gases; providing a comprehensive solution for the integration of unitized logistics vehicles and packages. Apart from the above, the Group is also engaged in financial equity investment, manufacturing of logistic equipment and related services and marine projects, etc. On October 26, 2020, the Company lost control of companies in the real estate business segment, referring to Note V.2 for details.

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I. GENERAL INFORMATION (Continued)

CIMC Enric Holdings Limited (“**Enric**”), the subsidiary of the Group, is listed in the Main Board of the Hong Kong Stock Exchange. The principal activities of Enric are the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance service for, a wide spectrum of transportation, storage and processing equipment that is widely used in energy, chemical and liquid food industries.

CIMC-TianDa Holdings Company Limited (“**CIMC TianDa**”), the subsidiary of the Group, is listed in the Main Board of the Hong Kong Stock Exchange. The principal activities of CIMC TianDa are the production and sale of passenger boarding bridges, airport ground support equipment and garage systems; providing engineering and computer software solutions for logistics operations in the airports, e-commerce, express delivery, warehousing and other industries; production and sales of fire engines and fire fighting equipment. In January 2021, CIMC Tianda completed the delisting of the Hong Kong Stock Exchange, referring to Note XIII for details.

CIMC Vehicles (Group) Co., Ltd. (“**CIMC Vehicles**”), the subsidiary of the Group, is listed in the Main Board of the Hong Kong Stock Exchange. CIMC Vehicles primarily engages in the manufacture and sale of semi-trailers and truck bodies for specialty vehicles. The semi-trailer product lines mainly include chassis and flatbed trailers, fence trailers, tank trailers, refrigerated trailers and van trailers. The truck body products mainly include dump beds for dump trucks, mixers for mixer trucks and other truck bodies for specialty vehicles.

Please refer to Note VI for details of subsidiaries included in the scope of consolidation and also refer to Note V.1 for the details of subsidiaries newly included in the scope of consolidation. Please refer to Note V.2 for the details of subsidiaries excluded from the scope of consolidation.

The financial statements have been approved for announcement by the Company’s Board of Directors on 29 March 2021.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group makes specific accounting policies and accounting estimates according to characteristics of its business operations, which include expected credit losses of receivables and contract assets (Note II.9), the cost of inventories (Note II.11), the criteria for determining impairment of non-current assets (Note II.20), depreciation policy of fixed assets and amortization policy of intangible assets and right-of-use assets (Note II.14, 17 and 27), measurement of provisions (Note II.21), measurement model of investment real estate (Note II.13) and revenue recognition and measurement (Note II.23), etc.

The key judgments, important accounting estimates and key assumptions adopted by the Group when applying important accounting policies are disclosed in Note II. 33.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

1. Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereafter collectively referred to as 'the Accounting Standards for Business Enterprises' or 'CAS') and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

Some notes in this financial statement have been disclosed in accordance with requirements of the Hong Kong Companies Ordinance.

2. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2020 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as at 31 December 2020 and of their financial performance, cash flows and other information for the year then ended.

3. Accounting year

The Company's accounting year starts from 1 January to 31 December.

4. Functional currency

Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

The functional currency of the Company and its subsidiaries domiciled in PRC are Renminbi. Hong Kong and the overseas subsidiaries use local currencies as their functional currencies. Foreign currencies are defined as currency other than functional currency.

Financial statements of the Company are presented in Renminbi. For subsidiaries using currencies other than Renminbi as their functional currencies, the Company translates the functional currencies of these subsidiaries into Renminbi (refer to Note II.8).

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Business combinations

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. If the company to be merged is acquired by the absorbing party from a third party in previous years, the assets and liabilities of the company (including the goodwill formed by the acquisition by the absorbing party) are included in the final consolidated financial statement and are based on book value. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to capital premium in the capital reserve. If the balance of the capital premium is insufficient, any excess is adjusted to retained earnings. Any costs directly attributable to the combination shall be recognized in profit or loss for the current period when occurred. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognized as goodwill (see Note II.18). When 1) is less than 2), the difference is recognized in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other direct acquisition-related costs arising from the business combination are recognized as expenses in the periods in which the costs are incurred. The difference between the fair value and the carrying amount of the assets transferred is recognized in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognized by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Preparation of consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control means the Group has rights in the invested entity, and could gain returns through its involvement with the entity as well as has the ability to affect those returns through its power over the entity. The financial position, operating results and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where a subsidiary was acquired during the Reporting Period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement, respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the Reporting Period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, base on the fair value of those identifiable assets and liabilities at the acquisition date.

For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognized as investment income for the current period; the amount recognized in other comprehensive income relating to the previously-held equity interest in the acquiree is reclassified as investment income for the current period.

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the stock premium (capital surplus) in capital reserve in the consolidated balance sheet. If the credit balance of stock premium (capital surplus) in capital reserve is insufficient, any excess is adjusted to retained earnings.

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognizes assets, liabilities, minority interests and other related items in owners' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any gains or losses therefore incurred are recognized as investment income for the current period when control is lost.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Preparation of consolidated financial statements (Continued)

When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess is allocated against the minority interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies.

All significant inter-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profit and loss for the period as well as comprehensive income not attributable to Company are recognized as minority interests, net profit and loss attributable to minority interests as well as and comprehensive income attributable to minority interests presented separately in the consolidated financial statements within equity and net profit as well as total comprehensive income respectively. If the current loss shared by the minority shareholders of a subsidiary exceeds the minority shareholders' share of the beginning owners' equity of the subsidiary, the balance shall be offset against the minority shareholders' equity. The unrealised profit and loss arising from sales of assets to subsidiaries by the Company are fully eliminated against net profit attributable to owners of the Company. The unrealised profit and loss arising from sales of assets to the Company by subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' shareholding on the subsidiaries. The unrealised profit and loss arising from sales of assets between subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' share holdings on the subsidiary who sold.

The difference on recognizing a same transaction between on the accounting subjects of the Group and of the Company or its subsidiaries would be adjusted on the accounting subject of the Group.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Foreign currency transactions and translation of financial statements denominated in foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to functional currency at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to functional currency at the rates that approximate the spot exchange rates at the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the People's Bank of China. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method. Normally the average exchange rate of the current period or the weighted average exchange rate.

Monetary items denominated in foreign currencies are translated to functional currency at the spot exchange rate at the balance sheet date. The resulting exchange differences, except for those arising from the principal and interest of specific foreign currency borrowings for the purpose of acquisition, construction or production of qualifying assets (see Note II.16), are recognized in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to functional currency using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognized in profit or loss, except for the differences arising from the translation of other equity investments, which are recognized as other comprehensive income. The effect of exchange rate changes on cash presented separately in the cash flow statement.

The assets and liabilities of foreign operation are translated to functional currency at the spot exchange rates at the balance sheet date. The equity items, excluding "undistributed profits", are translated to functional currency at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to functional currency at the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognized in a separate component of equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognized in equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash presented separately in the cash flow statement.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**9. Financial instruments**

A financial instrument is a contract that forms a financial asset of one party and forms a financial liability or equity instrument of the other parties. When the Group becomes a party of a financial instrument contract, the relevant financial assets or financial liabilities are recognized.

(1) Financial Assets*(a) Classification and measurement*

The Group classifies financial assets according to the business model for managing the financial assets and the contractual terms of the cash flows:

- (1) financial assets at amortized cost;
- (2) financial assets at fair value through other comprehensive income (referred to as “**FVOCI**”);
- (3) financial assets at fair value through profit or loss (referred to as “**FVPL**”).

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Transaction costs of other financial assets are included in initial recognition amount. For the accounts receivables and notes receivables arising from the sale of products or the provision of labor services that do not contain or consider the significant financing components, the consideration to be received is recognized as the initial recognition amount.

i. Debt instruments

The debt instruments held by the Group refer to the tools that meet the definition of financial liabilities from the perspective of the issuer and are measured in the following three ways:

At amortized cost:

The Group's business model for managing such financial assets is to collect contractual cash flows, and the characteristics of contractual cash flows of such financial assets are consistent with basic lending and borrowing arrangements, namely the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount. Interest income from these financial assets is included in financial income using the effective interest rate method. Such financial assets mainly include cash at bank and on hand, notes and accounts receivables, other receivables, debt investment and long-term receivables. The Group will present the debt investments and long-term receivables due within one year (including one year) from the balance sheet date as current portion of non-current assets; the debt investments with a time limit for acquisition that is within one year (including one year) is presented as other current assets.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) Classification and measurement (Continued)

i. Debt instruments (Continued)

At fair value through other comprehensive income:

The Group's business model for managing such financial assets are both to collect contractual cash flows and hold for sale, and the characteristics of contractual cash flows of such financial assets are consistent with basic lending and borrowing arrangements. Such financial assets are measured at fair value through other comprehensive income, except for the recognition of impairment gains or losses, foreign exchange gains and losses and interest income calculated using effective interest method, which are recognized in profit or loss. Such financial assets mainly include receivables financing, other debt investment, etc. Other debt investments due within one year (including one year) of the Group from the balance sheet date are presented as current portion of non-current assets; the debt investments with a time limit of less than or equal to one year upon acquisition is presented as other current assets.

At fair value through profit or loss:

Debt instruments held by the Group that are measured neither at amortized cost nor at fair value through other comprehensive income, are measured at fair value through profit or loss. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Group designates certain financial assets as financial assets at fair value through profit or loss. If it is more than one year from the balance sheet date and is expected to be held for more than one year, it is presented as other non-current financial assets, and the rest will be presented as financial assets held for trading.

ii. Equity instruments

The Group measures equity instruments that have no control, joint control or significant influence at fair value through profit or loss and the equity instruments are presented as financial assets held for trading; financial assets held for trading that is expected to be held for more than one year from the balance sheet date is presented as other non-current financial assets.

In addition, the Group designates certain non-tradable equity instrument investments as financial assets at fair value through other comprehensive income and are presented as other equity investments. The relevant dividend income of such financial assets is recognized in current profit or loss.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment

The Group recognizes loss provision based on expected credit losses for financial assets at amortized cost, debt investments at fair value through other comprehensive income, contract assets, lease receivables and financial guarantee contracts.

The Group considers reasonable and evidenced information such as past events, current conditions and forecasts of future economic conditions, taking the risk of default as a weight, and calculating the difference between the cash flows receivable from the contract and the cash flows expected to be received, and the probability-weighted amount of the difference is recognized as the expected credit losses.

At each balance sheet date, the Group measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not significantly increased since initial recognition, the instrument is in the first stage. The Group measures the allowance for that financial instrument at an amount equal to 12-month expected credit losses. If the credit risk of the financial instrument has significantly increased since initial recognition, the instrument is in the second stage. The Group measures the allowance for that financial instrument at an amount equal to lifetime expected credit losses. If the financial instrument has suffered credit impairment since the initial recognition, it is in the third stage, and the Group measures the allowance for that financial instrument at an amount equal to lifetime expected credit losses.

For financial instruments with lower credit risk at the balance sheet date, the Group assumes that its credit risk has not significantly increased since the initial recognition, and measures the allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For the financial instruments in the first stage and the second stage, and that with lower credit risk, the Group calculates interest income based on its book balance and effective interest rate without deducting the impairment provision. For the financial instruments in the third stage, the interest income is calculated according to the book balance minus the amortized cost and the effective interest rate after the impairment provisions.

For notes receivables, accounts receivables, receivables financing and contract assets incurred from daily business activities such as selling goods and providing services, regardless of whether there is a significant financing component, the Group measures the loss reserves according to the expected credit loss of the lifetime expected credit losses. The contract assets are related to the unbilled work in progress, and their risk characteristics are essentially the same as the accounts receivables of similar contracts. Therefore, the Group believes that the expected credit loss rate of accounts receivables is close to that of contract assets.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment (Continued)

When a single financial asset cannot evaluate expected credit loss information at a reasonable cost, the Group divides accounts receivable, notes receivable, and contract assets into several combinations based on the same credit risk characteristics and overdue days, and calculates the expected credit loss on the basis of the combination. The basis for determining the combinations is as follows:

Unique Receivables	Customers involved in projects with large scales and long-term cooperation or cooperation with abnormal situations
Bank Acceptance Bill Portfolio	Banks with lower credit risk
Commercial Acceptance Bill Portfolio	A legal person who opens an account with a commercial bank
Accounts Receivables Portfolio 1	Containers manufacturing business
Accounts Receivables Portfolio 2	Road transportation vehicles business
Accounts Receivables Portfolio 3	Energy, chemical and liquid food equipment business
Accounts Receivables Portfolio 4	Offshore engineering business
Accounts Receivables Portfolio 5	Airport, fire safety and automated logistics equipment business
Accounts Receivables Portfolio 6	Heavy truck business
Accounts Receivables Portfolio 7	Logistics services business
Accounts Receivables Portfolio 8	Unit load business
Accounts Receivables Portfolio 9	Other business
Contract Assets Portfolio 1	Airport, fire protection and automated logistics equipment business

For the accounts receivables, notes receivables and receivables financing incurred from daily business activities such as selling goods and providing services, which was classified as a group, the Group calculates the expected credit losses by reference to the historical credit losses experience, considering the current situation and the forecast of future economic conditions as well, and finalizes the expected credit losses through the default risk exposure and the expected credit loss rate of its entire lifetime.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment (Continued)

For other receivables and long-term receivables classified into portfolios, the Group adopts a three-stage model. The model refers to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and calculates expected credit losses based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration. Among them, for long-term lease receivables, models and assumptions are used in the measurement of expected credit losses, including expectations of future economic conditions and the credit status of the lessee (the possibility of customer default and corresponding losses). The basis for determining the combination is as follows:

Receivable Portfolio	Nature
Other Receivables Portfolio 1	Receivables arising from financing for related parties
Other Receivables Portfolio 2	Receivables from share capital increase/transfer
Other Receivables Portfolio 3	Loans
Other Receivables Portfolio 4	Assets purchased under reverse repurchase agreements
Other Receivables Portfolio 5	Security deposit
Other Receivables Portfolio 6	Receivables from demolition compensation
Other Receivables Portfolio 7	Tax refund receivables
Other Receivables Portfolio 8	Government grants receivables
Other Receivables Portfolio 9	Interest receivables
Other Receivables Portfolio 10	Dividend receivables
Other Receivables Portfolio 11	Inter-bank borrowings of Finance Company
Other Receivables Portfolio 12	Others
Long-term Receivables Portfolio 1	Lease receivables (customers are all manufacturing industries) (including the part due within one year)
Long-term Receivables Portfolio 2	Installment sales (including the part due within one year)

The Group recognizes the loss provision or provision reversal in current profit or loss. For debt instruments held at fair value through profit or loss, the Group adjusts other comprehensive income when the impairment loss or gain is recognized in profit or loss.

A financial guarantee contract is a contract for a contract holder who claims to issue a loss to pay a specified amount when the debtor fails to pay the debt in accordance with the terms of the original or modified debt instrument. As an issuer of such financial liabilities, an enterprise shall, after initial recognition, deduct the accumulated amortization amount determined in accordance with the income criteria (Note II.23) from the loss provision and the initial recognition amount respectively, and finalize the measurement with the higher value of the two.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(c) *Derecognition*

The Group derecognizes a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the financial asset has been transferred, and the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the financial asset has been transferred, and the Group loses control over the asset though it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When the other equity investment is derecognized, the difference between its book balance and the combination of its received value and the accumulated amount of changes in fair value directly recognized in other comprehensive income is recognized in retained earnings; When other financial assets is derecognized, the difference between the sum of the consideration received and the cumulative amount of changes in fair value that is directly recognized in other comprehensive income originally is recognized in profit or loss.

(2) Financial Liabilities

Financial liabilities are classified into financial liabilities at amortized cost and financial liabilities at fair value through profit or loss at initial recognition.

The Group's financial liabilities are mainly measured at amortized cost, including notes and accounts payables, other payables, borrowings and debentures payable. Such financial liabilities are initially measured at their fair value less transaction costs and are subsequently measured using the effective interest rate method. If the term is less than one year (including one year), it shall be listed as current liabilities; if the term is more than one year but expires within one year (including one year) from the balance sheet date, it shall be listed as current portion of non-current liabilities; the rest are presented as non-current liabilities.

When all or part of the current obligations of a financial liability have been discharged, the Group derecognizes the portion of the financial liability or obligation that has been discharged. The difference between the book value of the derecognition portion and the consideration paid is recognized in profit or loss.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(3) Fair value determination of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using an appropriate valuation technique that is applicable to current circumstances and supported by sufficient available data and other information. Valuation techniques mainly include market approach and income approach. When applying valuation techniques, inputs used by market participants in the transactions of the assets or liabilities with similar characteristics would be used and observable inputs would be given priority to the extent possible. Unobservable inputs would only be used when it is impossible or impracticable to obtain relevant observable inputs.

(4) Derivative financial instruments

Derivatives are initially recognized at the date of the contract and are initially and subsequently measured at fair value. Derivatives are reflected as assets when its fair value is positive, and as liabilities when negative.

Certain derivatives are embedded in hybrid contracts, such as conversion option in convertible bonds. The Group splits the embedded derivatives into separate derivative instruments when the following conditions are met:

- (1) the economic characteristics and risks of embedded derivatives are not closely related to the main contract;
- (2) tools that have the same terms but exist independently satisfy the definition of the derivative; and
- (3) the hybrid instrument is not measured at fair value through profit or loss.

The Group may choose to measure the embedded derivative instruments at fair value through profit or loss, or choose to designate the hybrid contract as at fair value through profit or loss.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Financial instruments (Continued)

(5) Equity Instruments

An equity instrument is a contract that demonstrates the residual equity in the assets of the Group after deducting all liabilities.

Perpetual bonds, issued by the Group and classified as equity instruments, do not include contractual obligations to deliver cash or other financial assets to other parties, or exchange financial assets or financial liabilities with other parties under potentially unfavorable conditions. And there is no arrangement that requires or can be settled with the group's own equity instruments.

Other equity instruments issued by the Group are recognized at the consideration that actually received deduct the transaction costs that is directly attributable to equity transactions.

The distribution of dividends during the existence of other equity instruments shall be treated as profit distribution. The consideration and transaction fees of repurchasing the Group's equity instruments paid by the Group would cause reduction of the Group's shareholders' equity.

10. Receivables

Receivables comprise of notes and accounts receivables, other receivables and long-term receivables. Accounts receivables arising from sale of goods or rendering of services are initially recognized at fair value of the contractual payments from the buyers or service recipients. In subsequent measurement, it is measured at effective interest rate method based on amortized cost less impairment. For the impairment provision for the Group's receivables, please refer to Note II.9(1)(b).

11. Inventories

(1) Classification

Inventories include raw materials, products in progress, finished products and stocks, commissioned processing materials, spare parts, real estate products, marine engineering projects, and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method, which includes all purchase costs, processing costs, and other costs before the inventory is shipped to the destination and reached the status quo. The cost of inventory and work-in-progress includes raw materials, direct labor, and manufacturing expenses allocated in a systematic way under normal production capacity.

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11. Inventories (Continued)

(3) The underlying factors in the determination of net realisable values of inventories and basis of allowance for impairment of inventories

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. Borrowing costs directly related to the production of qualifying inventories are also included in the cost of inventories (see Note II.16). In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. The net realisable value of materials held for use in the production of inventories is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of the quantity of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Group, the net realisable value of the excess portion of inventories shall be based on general selling prices.

Any excess of the cost over the net realisable value of each class of inventories is recognized in profit or loss as allowance for impairment of inventories.

(4) Inventory system

The Group maintains a perpetual inventory system.

(5) Amortization of reusable material including low-value consumables and packaging material

Reusable materials including low-value consumables and packaging materials are amortized in full when received for use. The amounts of the amortization are included in the cost of the related assets or profit or loss.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries and the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are the investees over which the Group is able to exercise joint control together with other ventures and the Group enjoys the rights only on the net assets of investees. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted for preparing the consolidated financial statements using the equity method. Investments in joint ventures and associates are accounted for using the equity method.

(1) Determination of investment cost

For long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(2) Subsequent measurement

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognized as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

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12. Long-term equity investments (Continued)

(2) Subsequent measurement (Continued)

For long-term equity investments accounted for using the equity method, the Group recognizes the investment income according to its share of net profit or loss of the investee. The Group discontinues recognizing its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognizing the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, other comprehensive income and profit distribution, the Group records its proportionate share directly into capital reserve with corresponding adjustment made to the carrying value of the long-term equity investment. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognized. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

(3) Basis for determining the existence of control, joint control or significant influence over an investee

Control is the power over the investee to enjoy variable returns by participating in related activities of the investee and the ability to affect the return amount by executing the power over the investee.

Joint control is the sharing of control over an arrangement according to related agreement, and exists only when the decisions relating to the activity of the arrangement require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the determination of financial and operating policies of the investee, but is not control or joint control over those policies.

(4) Impairment of the long term equity investment

The carrying amount of long-term equity investments in subsidiaries, joint ventures and associates is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note II.20).

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13. Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that are being constructed or developed for future use for leasing, are measured initially at cost. Subsequent expenditures incurred in relation to investment properties are included in the cost of the investment properties when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognized in profit or loss for the period in which they are incurred.

The Group adopts fair value model to subsequently measure investment properties and do not provide depreciation or amortization. The carrying amount of investment properties is adjusted based on their fair value at the balance sheet date, and the difference between the fair value and the original carrying amount is recognized in profit or loss for the current period.

When an investment properties is transferred to owner-occupied property, it is reclassified to fixed asset or intangible asset with the carrying amount determined at the fair value of the investment properties at the date of the transfer, and the difference between the fair value and the original carrying amount of the investment properties is recognized in profit or loss for the current period. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to investment properties with the carrying amount determined at the fair value at the date of the transfer. If the fair value at the date of the transfer is less than the original carrying amount of the fixed asset or the intangible asset, the difference is recognized in profit or loss for the current period; otherwise, it is included in other comprehensive income and would be transferred into the current profit and loss when the investment real estate is disposed of.

An investment property is derecognized on disposal or when the investment properties is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property net of its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

14. Fixed assets

(1) Recognition

Fixed assets represent the tangible assets held by the Group for use in the production of goods or supply of services, for rental to others or for operation and administrative purposes with useful lives over one year.

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The initial cost of self-constructed assets is measured in accordance with the policy set out in Note II.15.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Fixed assets (Continued)

(1) Recognition (Continued)

Where parts of an item of fixed asset have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

The subsequent costs including the cost of replacing part of an item of fixed assets are recognized in the carrying amount of the item if the to recognize fixed assets criteria are satisfied, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment provision.

(2) Depreciation

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives, unless the fixed asset is classified as held for sale (see Note II.28). For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives. The estimated useful lives, residual values and depreciation rates of each class of fixed assets are as follows:

Classes	Estimated useful lives (years)	Estimated residual value rate (%)	Depreciation rate per annum (%)
Plants and buildings	10–30	10%	3–9%
Machinery and equipment	2–30	10%	3–45%
Office and other equipment	3–10	10%	9–30%
Motor vehicles	3–10	10%	9–30%
Dock, wharf	50	10%	1.8%
Offshore engineering equipment	15–30	10%	3–6%

Estimated useful lives, estimated residual value and depreciation methods are reviewed and adjusted at least at each year-end.

(3) For the method of impairment testing and measuring, refer to Note II.20.

(4) Disposal

A fixed asset is derecognized when it is disposed of or no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

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15. Construction in progress

Construction in progress is measured at actual cost. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note II.16), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed fixed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress. Construction in progress is stated in the balance sheet at cost less impairment provision (see Note II.20).

16. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset.

Except for the above, other borrowing costs are recognized as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- Where funds are borrowed generally and used for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised on such borrowings is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense in the period in which they are incurred.

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16. Borrowing costs (Continued)

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Capitalisation of borrowing costs is suspended when the acquisition, construction or production activities are interrupted abnormally and the interruption lasts over three months.

17. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortization (where the estimated useful life is finite) and impairment provision (see Note II.20). For an intangible asset with finite useful life, its cost less residual value and impairment loss is amortized on the straight-line method or other more appropriate methods that can reflect the pattern in which the asset's economic benefits are expected to be realised over its estimated useful life, unless the intangible asset is classified as held for sale (see Note II.28).

The respective amortization periods for such intangible assets are as follows:

Items	Amortization periods
Land use rights	20 years – 50 years
Maritime space use rights	40 years – 50 years
Technological know-how and trademarks	3 years – 15 years
Customer relationships	2 years – 10 years
Customer contracts	9 months – 4 years
Franchise rights	10 years – 30 years

For an intangible asset with a finite useful life, review of its useful life and amortization method is performed at each year-end, with adjustment made as appropriate.

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At balance sheet date, an impairment test will be conducted.

Expenditures on an internal research and development project are classified into expenditures on the research phase and expenditures on the development phase. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products or processes before the start of commercial production or use.

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17. Intangible assets (Continued)

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure on the research phase, such as expenditure on planned research, assessment and selection for manufacturing technique, is recognized in profit or loss in the period in which it is incurred. Before mass production, expenditure on the development phase, such as expenditure on design and test for finalised application, is capitalised only if all of the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset, and to use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits;
- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognized in profit or loss in the period in which they are incurred. Development expenditures previously recognized as expenses are not recognized as an asset in the subsequent period. Capitalised expenditure on the development phase is presented as development expenditures in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

18. Goodwill

Goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving entities not under common control.

Goodwill is not amortized and is stated at cost less accumulated impairment provision (see Note II.20). On disposal of an asset group or combination of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

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19. Long-term prepaid expenses

Long-term prepaid expenses include the improvement of the right-of-use assets and other expenses that have occurred but should be amortized by the current and future periods and have an amortization period of more than one year, which are amortized on a straight-line method within the beneficial period and are listed as net amount of actual expenses minus accumulated amortization.

The amortization periods for expense are as follows:

Items	Amortization periods (years)
Mobilization cost of drilling platform	3 – 5
Improvement expenditure of fixed assets under operating lease	2 – 10
Others	3 – 10

20. Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test shows that the recoverable amount of the asset is lower than its book value, the impairment provision shall be made based on the difference and included in the asset impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or combination of asset groups, which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or combination of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or combination of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or combination of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once an impairment loss is recognized, it is not reversed in the subsequent period.

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21. Provisions and contingent liabilities

Provisions for product warranties, onerous contracts etc. are recognized when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognized as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The financial guarantee contract loss provisions recognized by the Group on the basis of expected credit losses is presented as contingent liabilities.

Provisions which is expected to be paid within one year from the balance sheet date are disclosed as current liabilities.

In terms of a possible obligation resulting from a past transaction or event, whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events or a present obligation resulting from a past transaction or event, where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the possible or present obligation is disclosed as a contingent liability.

22. Share-based payments

(1) Classification

Share-based payment transactions in the Group are classified as equity-settled share-based payments and cash-settled share-based payments.

(2) Method to determine the fair value of equity instruments

Fair value of stock option is estimated based on binomial lattice model. Contract term of the stock option is used as the input variable of this model. And the binomial lattice model includes estimation of early execution of the option. The following factors are taken into account when using the binomial lattice model: (1) exercise price of the option; (2) vesting period; (3) current price of basic stocks; (4) expected fluctuation of stock price; (5) expected dividends of stocks; (6) risk-free rate within the option term.

The fair value of restricted stock is estimated based on the stock price of the listed company.

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22. Share-based payments (Continued)

(3) Basis of the best estimate of the number of equity instruments expected to vest

At each balance sheet date during the vesting period, the Group makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. On vesting date, the estimate shall be equal to the number of equity instruments that ultimately vested.

For restricted incentive stocks granted, during the vesting period, the Group revises the estimated number of restricted incentive shares that it expects to ultimately vest based on the vesting conditions at the end of each reporting period. If any adjustment is required to the accumulated fair value that has been recorded and confirmed in the previous year, it shall be included in the current year's share-based employee compensation expenditure/deducted from this item, and the share-based employee compensation reserve shall be adjusted accordingly. The shares held by the trust of the Group are disclosed as holding shares under the stock incentive plan and are deducted from equity.

(4) Accounting treatment for share-based payment

(a) *Equity-settled share-based payments*

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is, on grant date, recognized as relevant cost or expenses with a corresponding increase in capital reserve. If the equity instruments granted to employees do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. Based on the best estimation, the Group recognizes the services received for the current period as related costs or expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date.

(b) *Cash-settled share-based payments*

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If the rights under a cash-settled share-based payment do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, recognizes the services received for the current period as related costs or expenses, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting.

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23. Revenue recognition

Revenue is the gross inflow of economic benefit in the periods arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognized when obligations in a contract are performed, that is, the control of the asset is transferred to the customer. Obtaining the control of related commodities means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

It's transferring control of a good or service over time, if one of the following criteria is met. Otherwise, It's transferring control of a good or service at a point in time:

1. the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
2. the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. the Group's performance does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Group shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

When the performance progress cannot be reasonably determined, the revenue shall be recognized according to the amount of costs incurred if the expenses incurred by the Group could be expected to be compensated, until the performance progress can be reasonably determined.

Revenue recognized at a point in time is determined when the customer obtains control of the goods and services.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Revenue recognition (Continued)

(1) Revenue from sales of goods

Revenue is recognized when the customer obtains the physical or the legal title of the completed goods and the Group has present right to payment and the collection of the consideration is probable.

(a) Containers sales revenue

The Group manufactures and sells containers, and recognizes the revenue after obtaining customers' acceptance receipts.

(b) Road transportation vehicles and heavy trucks sales revenue

Road transport vehicles and heavy trucks are classified into domestic sales and overseas sales. Domestic sales recognize the revenue after the customer accepts the goods, while overseas sales recognize the revenue after loading the goods on the ship designated by the buyer at the port of shipment specified in the selling contract.

(c) Airport facilities sales revenue

Airport equipment (except logistics system business) recognizes revenue when obtaining buyer's acceptance receipts.

(d) Real estate sales revenue

Real estate sales revenue is recognized when the sale and purchase agreement is completed and the real estate is delivered. When the property is sold in advance of completion, the relevant revenue will be recognized only after the development is completed and the property is delivered to the buyer.

The Group recognizes receivables at the time of delivery of the goods. At this time, the Group's right to receive the consideration is unconditional and the Group only needs to wait for payment from customers. The credit period granted by the Group to customers is usually between 30 and 90 days, which is consistent with industry practice without significant financing component.

The Group provides product quality assurance for the sale of products and recognizes corresponding provisions (Note IV.37). The Group does not provide any additional services or additional quality assurance, so the product quality assurance does not constitute a separate performance obligation.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Revenue recognition (Continued)

(2) Revenue from project engineering contracts

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

The Group expects that there is no situation in which the performance of the engineering project contract will cause the payment period of the end customer to exceed one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

(3) Revenue from rendering of services

The Group provides external installation services, and recognizes revenues over a period of time based on the progress of completed labor services. The progress of completed labor services is determined by the proportion of incurred costs to estimated total costs. At the balance sheet date, the Group re-estimated the progress of completed services so that it can reflect changes in performance of the contract.

The Group provides external freight forwarding services, and its revenue is recognized during the period of providing freight forwarding services in accordance with the progress of service completion. The progress of service completion is determined by the proportion of services already provided to the total amount of services that should be provided. If the Group provides logistics transportation services to customers as a principle, the revenue recognized generally includes the carrier's freight charge. Otherwise, the Group acts as an agent and recognizes revenue based on the commissions or service charge, which is based on the total amount of consideration received or receivable minus the consideration payable to other parties, or based on the established commission amount or proportion.

When the Group recognizes the income according to the progress of the completed services, the Group recognizes the part that has obtained the unconditional right to collect consideration as accounts receivables, and the rest as contract assets, and impairment based on expected credit losses is recognized for subsequent measurement as well (Note II.9). If the contract price received or receivable by the Group exceeds the consideration of completed service, the excess is recognized as a contract liability. The Group's contract assets and contract liabilities under the same contract are presented on a net basis.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Revenue recognition (Continued)

(3) Revenue from rendering of services (Continued)

Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract. Costs incurred by the Group for the provision of transportation services are recognized as costs to fulfil a contract, and when revenue is recognized, the cost of the main business is transferred to cost of sales based on the progress of the completed services. Cost incurred by the Group for the acquisition of the contract is recognized as incremental costs of obtaining a contract. For costs of obtaining a contract with amortization period of less than one year, it would be recognized in current profit or loss when it occurs; for costs of obtaining a contract with amortization period of more than one year, it would be amortized in profit or loss on the basis of revenue recognition of the related contract. If the book value of contract cost is higher than the remaining consideration expected to be obtained by the provision of the service minus the estimated cost to be incurred, the Group makes impairment provisions on the excess and recognizes it as asset impairment losses. On the balance sheet date, the Group presents costs to fulfil a contract with its book value less the relevant impairment losses as inventory or other non-current assets depending on if the amortization period at the time of initial recognition is more than one year. For costs to obtain a contract with a amortization period at the time of initial recognition of more than one year, it is presented as inventory, while costs that with amortization period of more than one year is presented as other non-current assets.

24. Employee benefits

Employee benefits represent all kinds of allowances and compensations paid by the Group for services rendered by employees or for termination of employment relationship, which mainly include short-term wages, pension benefits and termination of employment benefits.

(1) Short-term wages

Short-term wages include wages or salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work injury insurance, maternity insurance, housing funds, labour union funds, employee education funds and short term paid absence and etc. Actual short-term wages are recognized as liabilities in the periods when the employees render services and are charged into profit or loss or capitalised in costs of related assets. The non-monetary welfare is measured at fair value.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Employee benefits (Continued)

(2) Pension benefits

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefit plan that no longer assumes further payment obligations after the Group pays a fixed fee to an independent fund; a defined benefit plan is a post-employment benefit plan other than the defined contribution plan. During the Reporting Period, the Group's pension benefits are basic pension insurance and unemployment insurance, which are all defined contribution plans.

Basic pension insurance

The Group's employees participated in the basic social pension insurance organised and implemented by local labour and social security bureau. The Group paid the basic pension issuance expenses monthly to designated insurance companies for its employees according to the basis amounts and rates determined by the local regulations. After retirement, local labour and social security bureau is responsible for paying the pension benefit to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognized as liabilities during the periods when the employees render services and are charged to profit or loss or capitalised in costs of related assets.

(3) Enterprise annuities plan

The Group provides compensation for the termination of employment relationship before the expiry of employment contracts or compensation to encourage employees' voluntary layoffs, which is recognized as a liability and charged to profit or loss on the earlier one when the Group is unable to unilaterally withdraw the plan on the termination of employment relationship or the layoff proposal and costs and expenses in relation to the payment of compensation to the termination of employment relationship are recognized.

The Enterprise annuities plan with payment within one year at the balance sheet date are classified as employee benefits payable.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at nil consideration including refund of taxes and financial subsidies, etc.

A government grant is recognized when the conditions attached to it can be complied with and the government grant can be received. If a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable; the grant is measured at nominal amount.

Government grants related to assets represent grants obtained from government which are to compensate long-term assets purchased or other ways. Government grants related to income represent those government grants other than related to assets.

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset by the reasonable and systematic method.

For government grants related to income, where the grant is a compensation for related costs or losses to be incurred by the Group in the subsequent periods, the grant is recognized as deferred income, and will cause the offsetting of related costs; where the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately as offsetting the related costs.

The Group uses the same method to disclosure government grants in same category.

Government grants related to daily activities are included in operating profits. Government grants that are not related to daily activities are included in non-operating income and expenditure.

For the policy-based preferential interest rate loans received by the Group, the entry value of the borrowings shall be the borrowing amount actually received, and the relevant borrowing costs shall be calculated based on the principal of the borrowings and the policy preferential interest rate. The financial interest subsidy directly received by the Group reduces the relevant borrowing costs.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carry forward to subsequent periods. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss). No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill.

At the balance sheet date, the amount of deferred tax recognized is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognized.

At the balance sheet date, deferred tax assets and liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- the deferred income tax assets and deferred income tax liabilities are related to the income tax imposed by the same tax collection and management department on the same tax subject or are related to the income tax collected by different taxpayers, but the subject is intended to be involved in the period of the return of every important deferred income tax assets and liabilities in the future. Net income, assets and liabilities, or assets at the same time.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Leases

A lease is a contract whereby, within a certain period of time, the lessor gives the right to use the assets to the lessee in order to obtain consideration.

The Group as the Lessee

At the commencement date, the Group shall recognize the right-of-use asset and measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lessee exercises an option to terminate the lease. Variable lease payments that are linked to a certain percentage of sales are excluded from lease payments and recognized in profit or loss as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current liabilities.

Right-of-use assets comprise leased buildings, land use right, machinery and equipment, motor vehicles, office and other equipment, etc. Right-of-use assets are measured initially at cost, which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

For short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group may, instead of recognizing right-of-use assets and lease liabilities, include the lease payments in the cost of the underlying assets or in the profit or loss for the current period on a straight-line basis over the lease term.

When the lease contract changes and the following conditions are met at the same time, the Group should treat it as a separate lease for accounting treatment: (1) The new lease contract expands the scope of the leasing by adding one or more rights to use the leased asset; (2) The increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

When the lease change is not accounted for as a separate lease, the Group will re-determines the lease term on the effective date of the lease change, except for the simplified method for contract changes directly caused by the coronavirus disease pneumonia epidemic. In addition, the revised discount rate is used to discount the changed lease payment and remeasure the lease liability. If the lease change causes the scope of the lease to be narrowed or the lease term is shortened, the Group will correspondingly reduce the book value of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in the current profit and loss. If other lease changes cause the lease liability to be remeasured, the Group will adjust the book value of the right-of-use asset accordingly.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Leases (Continued)

The Group as the Lessee (Continued)

For rent reduction or exemption directly caused by the coronavirus disease pneumonia epidemic and only for rent before June 30, 2021, the Group chose to adopt a simplified method, that when an agreement is reached to relieve the original payment obligation, the undiscounted amount of deduction will be included in the current profit and loss, and the corresponding lease liability will be adjusted at the same time.

The Group as the Lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee. An operating lease is a lease other than a finance lease.

(1) Operating leases

Where the Group leases out self-owned buildings, machinery and equipment, and motor vehicles under operating leases, rental income is recognized on a straight-line basis over the lease term. Variable rental that is linked to a certain percentage of sales is recognized in rental income as incurred.

When the lease contract changes, the Group will regard it as a new lease from the effective date of the change, and treat the advance or receivable lease payments related to the lease before the change as the new lease payment.

(2) Finance leases

At the commencement date, the Group recognizes the finance lease receivables under a finance lease and derecognizes relevant assets. The finance lease receivables under a finance lease are presented as long-term receivables; the finance lease receivables under a finance lease due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current assets.

28. Held for sale and discontinued operations

A non-current asset or a disposal group is classified as held for sale when all of the following conditions are satisfied:

- 1) The non-current asset or the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such non-current asset or disposal group;
- 2) The Group has entered a legally enforceable sales agreement with other party and obtained relevant approval, and the sales transaction is expected to be completed within one year.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Held for sale and discontinued operations (Continued)

Non-current assets (except for financial assets, investment properties measured at fair value and deferred tax assets) that meet the recognition criteria for held for sale are recognized at the amount equal to the lower of the fair value less costs to sell and the carrying amount. Any excess of the original carrying amount over the fair value less costs to sell is recognized as asset impairment losses.

Such non-current assets and assets and liabilities included in disposal groups classified as held for sale are classified as current assets and current liabilities respectively, and are separately presented in the balance sheet.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and is separately identifiable and satisfies one of the following conditions:

- 1) It represents a separate major line of business or geographical area of operations;
- 2) It is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- 3) It is a subsidiary acquired exclusively with a view to resale.

The net profit from discontinued operations in the income statement includes operating profit or loss and disposal gains or losses of discontinued operations.

29. Dividend distribution

Cash dividend is recognized as a liability for the period in which the dividend is approved by the shareholders' meeting.

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised and declared after the balance sheet date, are not recognized as a liability at the balance sheet date but disclosed in the notes separately.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties of the Group. Related parties of the Group and the Company include, but are not limited to:

- (a) the Company's parent;
- (b) the Company's subsidiaries;
- (c) enterprises that are controlled by the Company's parent;
- (d) investors that have joint control or exercise significant influence over the Group;
- (e) enterprises or individuals if a party has control, joint control over both the enterprises or individuals and the Group;
- (f) joint ventures of the Group, including subsidiaries of joint ventures;
- (g) associates of the Group, including subsidiaries of associates;
- (h) principal individual investors of the Group and close family members of such individuals;
- (i) key management personnel of the Group and close family members of such individuals;
- (j) key management personnel of the Company's parent;
- (k) close family members of key management personnel of the Company's parent; and
- (l) other enterprises that are controlled or jointly controlled by principal individual investors, key management personnel of the Group, and close family members of such individuals.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Related parties (Continued)

Besides the related parties stated above determined in accordance with the requirements of CAS, the following enterprises and individuals are considered as (but not restricted to) related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC:

- (m) enterprises or persons that act in concert that hold more than 5% (inclusive) of the Company's shares;
- (n) individuals and close family members of such individuals who directly or indirectly hold more than 5% (inclusive) of the Company's shares, supervisors for listed companies and their close family members;
- (o) enterprises that satisfy any of the aforesaid conditions in (a), (c) and (m) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement;
- (p) individuals who satisfy any of the aforesaid conditions in (i), (j) and (n) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement; and
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

31. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that meets the following conditions:

- It engages in business activities from which it may earn revenues and incur expenses;
- Its financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance;
- The Group is able to obtain its financial information regarding financial position, financial performance and cash flows, etc.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

31. Segment reporting (Continued)

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics, and are similar in respect of the following aspects:

- the nature of each product and service;
- the nature of production processes;
- the type or class of customers for the products and services;
- the methods used to distribute the products or provide the services;
- the legal and regulatory impact on manufacturing of products and rendering of services.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

32. Significant changes in accounting policies

In 2020, the Ministry of Finance revised the 'Notice on Printing and Distributing the Regulations on Accounting Treatment of Rental Concessions Related to the Coronavirus Disease' (Caikuai [2020] No. 10) and 'Questions and Answers on the Implementation of Accounting Standards for Business Enterprises' (issued on 11 December 2020). The Group has adopted the above notice and implementation Q&A to prepare the 2020 financial statements. The impact on the Group and the Company's financial statements are as follows:

(1) Accounting treatment of rent reductions related to the coronavirus disease pneumonia epidemic

For the rent reduction or exemption directly caused by the coronavirus disease pneumonia epidemic, which was reached with the lessee and the lessor separately, and only for the rent before 30 June 2021. When preparing the 2020 financial statements, the Group and the Company have adopted the simplified methods in the above notice (Note IV.52 and IV.58).

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

32. Significant changes in accounting policies (Continued)

(2) Questions and answers on the implementation of accounting standards for business enterprises

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected 2019	
		the Group	the Company
The Group and the Company reclassified the contract asset impairment loss that was originally included in the credit impairment loss item to the asset impairment loss item.	Credit impairment losses	(1,189)	–
	Asset impairment losses	1,189	–

33. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Notes IV.23, IX and XVI contain information about the assumptions and their risk factors relating to impairment of goodwill, share-based payments and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(1) Measurement of expected credit losses

The Group calculates expected credit losses through default risk exposure and expected credit loss rate, and determines the expected credit loss rate based on default probability and default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit losses experience and adjusts historical data based on current conditions and forward-looking information.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Critical accounting estimates and judgements (Continued)

(1) Measurement of expected credit losses (Continued)

When considering forward-looking information, the Group considered different macroeconomic scenarios. In 2020, the weights of the three economic scenarios of "benchmark," "unfavorable," and "favorable" are 70%, 15%, and 15% respectively. The Group regularly monitors and reviews important macroeconomic assumptions and parameters related to the calculation of expected credit losses, including the risk of economic downturn, external market environment, technological environment, changes in customer conditions, changes in the value of Chinese exports of goods and services, gross domestic product and consumer price index. In 2020, the Group has considered the uncertainty caused by the coronavirus disease and updated relevant assumptions and parameters accordingly. The key macroeconomic parameters used in each scenario are listed as follows:

	Economic scenario		
	Benchmark	Unfavorable	Favorable
Changes in the value of China's export goods and services	0.96	3.94	0.23

(2) Impairment of long-term assets

As described in Note II.20, long-term assets (including goodwill, fixed assets, construction in progress, long-term equity investments, intangible assets and right-of-use assets) are reviewed at each balance sheet date to determine whether the recoverable amount of the assets is lower than carrying amount. If any indication shows that the carrying amount of the assets may not be fully recovered, the assets is deemed to have been impaired and an impairment loss is recognized.

The recoverable amount of an asset (or asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. In assessing value in use, significant judgements are exercised over the asset's production, selling price, related operating expenses and discounting rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumption.

Due to the outbreak of the coronavirus disease and related prevention and control measures, the business of the Group's overseas subsidiaries has been affected to a certain extent. When the Group conducts long-term asset impairment tests, the higher of the net value of fair value minus disposal expenses and the present value of expected future cash flows is used to determine its recoverable amount. Due to the uncertainty in the development and prevention and control of the coronavirus disease, there are also uncertainties in the growth rate, gross profit margin and pre-tax discount rate used in the calculation of the present value of expected future cash flows.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Critical accounting estimates and judgements (Continued)

(2) Impairment of long-term assets (Continued)

If the management revises the growth rate used in the calculation of the future cash flow of the asset group and the asset group combination, and the revised growth rate is lower than the currently adopted growth rate, the Group needs to increase the provision for impairment of long-term assets.

If the management revised the gross profit margin used in the future cash flow calculation of the asset (or asset group) and the revised gross profit margin is lower than the gross profit margin currently used, the Group is required to make impairment provisions of long-term assets.

If the management revised the discount rate before tax applied to the cash flow discount and the revised discount rate before tax is higher than the discount rate currently used, the Group is required to make impairment provisions of long-term assets.

If the actual growth rate and gross profit rate or actual pre-tax discount rate is higher or lower than management's estimate, the Group cannot reverse the long-term asset impairment losses that have been previously accrued.

(3) Provision for impairment of inventories

As described in Note II.11, the net realisable value of inventories is under management's regular review, and as a result, provision for impairment of inventories is recognized for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market sales, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for impairment of inventories. The net profit or loss may then be affected in the period when the provision for impairment of inventories is adjusted.

(4) Depreciation and amortization of assets such as fixed assets and intangible assets

As described in Note II.14 and 17, fixed assets, intangible assets and other assets are depreciated and amortized over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed to determine the depreciation and amortization costs charged in each reporting period. The useful lives of the assets are determined based on historical experiences of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortization, the rate of depreciation or amortization is revised prospectively.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Critical accounting estimates and judgements (Continued)

(5) Warranty provisions

As described in Note IV.37, the Group makes provisions under the warranties it gives on the sale of its products based mainly on the Group's recent claim experience. Because it is possible that the recent claim experience may not be indicative of future claims that the Group will receive in respect of past sales, a considerable level of management's judgement is required and exercised to estimate the provision. Any increase or decrease in the provision will affect profit or loss in future years.

(6) Completion progress of the project engineering contract

As described in Note II.23, contract revenue and contract profit are recognized based on the stage of completion of a contract which is determined with reference to the proportion of the physical construction work completed to the total estimated construction work. Where a contract is completed substantially and its contract revenue and contract expenses to completion can be reliably measured, the Group estimates contract revenue and contract expenses with reference to its recent construction experience and the nature of the construction contracts. For a contract that is not completed substantially, contract revenue that should be recognized based on its stage of completion, is not recognized and disclosed in the financial statements. Therefore, at the balance sheet date, actual total contract revenue and total contract cost may be higher or lower than the estimated total contract revenue and total contract cost and any change of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

(7) Income taxes and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As stated in Note III(2), some of the subsidiaries of the Group are high-tech enterprises. The validity period of the high-tech enterprise qualification is three years. After the expiration, the application for high-tech enterprise certification must be resubmitted to the relevant government department. Based on the historical experience re-identified after the expiration of high-tech enterprises in previous years and the actual situation of these subsidiaries, the Group believes that these subsidiaries can continue to obtain high-tech enterprise certification in the coming years, and then calculate their corresponding deferred income tax at a preferential tax rate of 15%. If in the future some subsidiaries fail to obtain re-certification after the expiration of the high-tech enterprise qualification, the income tax will be calculated at the statutory tax rate of 25%, which will affect the confirmed deferred income tax assets, deferred income tax liabilities and income tax expenses.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Critical accounting estimates and judgements (Continued)

(7) Income taxes and deferred income taxes (Continued)

For the deductible losses that can be carried forward in subsequent years, the Group shall recognize the corresponding deferred income tax assets within the limit of the taxable income that is likely to be used to deduct the deductible losses in the future period. The taxable income obtained in the future period includes the taxable income that the Group can realize through normal production and operation activities, and the taxable income that will increase when the taxable temporary difference generated in the previous period is reversed in the future period. The Group needs to use estimates and judgments when determining the time and amount of taxable income in the future. If there is a difference between the actual situation and the estimate, it may lead to adjustments to the book value of deferred income tax assets.

The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognized for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(8) Estimation of fair value of investment properties

The Group recognized the fair value of the investment properties based on the valuation assessed by the independent professional valuer or the valuation assessed by the management. To assess the fair value of investment properties, as stated in Note XVI.6, several significant judgments and assumptions are used.

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III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
Value added tax (VAT) (a)	The output VAT calculated based on taxable income from sales of goods and rendering of service, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9% and 13%
Urban maintenance and construction tax	VAT payable	7%
Income tax	Taxable income	Note 1
The Netherlands/Australia service tax	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	10%-19%

- (a) Pursuant to "Circular on adjusting the Value-Added Tax" jointly issued by the Ministry of Finance, the State Administration of Taxation and General Administration of Customs (Cai Shui [2019] No. 39), the subsidiaries of the Group which operate in VAT taxable sales or related business of imported goods and financial leasing business has adjusted the original VAT rate from 16% to 13% from 1 April 2019; the business of leasing and sales of real estate was originally applied 10% tax rate is adjusted to 9%; The VAT rates of modern service industries (including logistics service and logistics support service), container yard services and financial services are still applicable to 6%, which is not within the scope of this adjustment.

Note 1: The income tax rates applicable to the Group and the major subsidiaries for the year are as follows:

	2020	2019
The Company	25%	25%
Subsidiaries registered in China	15-25%	15-25%
Subsidiaries registered in Hong Kong	16.5-25%	16.5-25%
Subsidiaries registered in British Virgin Islands	-	-
Subsidiaries registered in US	21%	21%
Subsidiaries registered in Germany	15.83-36.13%	15.83-36.13%
Subsidiaries registered in Britain	19%	19%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25%	25%
Subsidiaries registered in Belgium	29.58%	29.58%
Subsidiaries registered in Denmark	22%	22%
Subsidiaries registered in Poland	19%	19%
Subsidiaries registered in Thailand	20%	20%
Subsidiaries registered in Singapore	17%	17%
Subsidiaries registered in Sweden	21.4%	21.4%
Subsidiaries registered in Cayman Islands	-	-
Subsidiaries registered in Malaysia	24%	24%
Subsidiaries registered in Luxembourg	24.94%	24.94%

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III. TAXATION (Continued)

2. Preferential tax treatments

The Group's subsidiaries that are entitled to preferential tax treatments are as follows:

Name of enterprises	Local statutory tax rate	Preferential rate		Reasons
		2020	2019	
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	15%	High-tech enterprises
Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Taicang refrigeration equipment logistics Co., Ltd.	25%	15%	15%	High-tech enterprises
Qingdao CIMC Special Reefer Co., Ltd. (QDCSR)	25%	15%	15%	High-tech enterprises
Beijing CIMC Intelligent Cold Technology Co., Ltd.	25%	15%	15%	High-tech enterprises
Beijing JingXin XiangNeng Technology Co., Ltd. (Beijing Jingxin XiangNeng)	25%	15%	15%	High-tech enterprises
CIMC Cold Cloud (Beijing) Supply Chain Management Co., Ltd.	25%	15%	15%	High-tech enterprises
Hunan CIMC New Material Technology Co., Ltd.	25%	15%	25%	High-tech enterprises
CIMC Vehicles (Liaoning) Co., Ltd.	25%	15%	15%	High-tech enterprises
Wuhu CIMC RuiJiang Automobile Co., Ltd.	25%	15%	15%	High-tech enterprises

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III. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential rate		Reasons
		2020	2019	
Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	15%	High-tech enterprises
Gansu CIMC Huajun Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	25%	15%	15%	High-tech enterprises
Dongguan CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	15%	High-tech enterprises
Shandong Master Special Purpose Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles (Shandong) Co., Ltd.	25%	15%	15%	High-tech enterprises
Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles (Jiangmen) Co., Ltd.	25%	15%	15%	High-tech enterprises
Jiangsu Baojing Auto Parts Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Bengbu) Compressor Co., Ltd.	25%	15%	15%	High-tech enterprises

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III. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential rate		Reasons
		2020	2019	
Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	15%	High-tech enterprises
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Safeway Technologies Co., Ltd.	25%	15%	15%	High-tech enterprises
Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	15%	High-tech enterprises
Nantong CIMC Energy Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Nantong) CIMC Food Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Nantong CIMC Pacific Ocean Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Anjiehui Internet of Things Information Technology (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	25%	High-tech enterprises
Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	15%	High-tech enterprises

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III. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential rate		Reasons
		2020	2019	
Cuilian (China) Fire Safety Equipment Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
Deli Kyushu Logistics Automation System (Beijing) Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Deli Logistics System (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprises
Xiefa Airport Equipment Ltd.	25%	15%	15%	High-tech enterprises
Shanghai Jindun Special Vehicle Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenyang Jietong Fire Truck Co., Ltd.	25%	15%	15%	High-tech enterprises
Sichuan Chuanxiao Fire Safety Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.17 for the definition of subsidiaries, associates and joint ventures.

1. Cash at bank and on hand

	31 December 2020	31 December 2019
Cash on hand	5,330	5,900
Bank deposits	11,283,374	8,911,227
Other cash balances	892,711	797,665
	12,181,415	9,714,792
Including: cash abroad	1,297,888	1,798,268

As at 31 December 2020, restricted cash at bank and on hand of the Group amounted to RMB1,371,175,000 (31 December 2019: RMB1,708,360,000), refer to Note IV.28 for details.

As at 31 December 2020, restricted cash at bank and on hand of the Group mentioned above included deposits of Finance Company in the People's Bank of China, amounting to RMB478,464,000 (31 December 2019: RMB381,113,000). Finance Company is a finance institution authorised by the People's Bank of China.

2. Financial assets held for trading

	31 December 2020	31 December 2019
Financial assets held for trading -		
Investments in equity instruments held for trading (i)	61,494	200,206
Investments in debt instruments held for trading (ii)	136,785	215,297
	198,279	415,503

- (i) In September 2020, the Group disposed of all its holdings of securities listed on the Hong Kong Stock Exchange. As of 31 December 2020, all equity instruments held by the Group are wealth management products.
- (ii) The debt instruments held for trading are private security investment fund, and the fair value of the fund are determined according to the net asset value table provided by the fund company as of 31 December 2020.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative financial assets and liabilities

	Note	31 December 2020	31 December 2019
Derivative financial assets -			
Forward foreign exchange contracts	(1)	767,965	92,098
Foreign exchange option contracts	(2)	93	56
Interest rate swap contracts	(3)	-	8,826
		768,058	100,980
Derivative financial liabilities -			
Forward foreign exchange contracts	(1)	207,279	50,595
Foreign exchange option contracts	(2)	18	101
Interest rate swap contracts	(3)	74,923	166
Commitment to minority shareholders	(4)	465,561	301,305
		747,781	352,167

(1) Forward foreign exchange contracts

As at 31 December 2020, the Group had certain unsettled forward contracts, mainly denominated in USD, JPY, GBP, EUR, HKD, AUD, SEK and Canadian dollars (CAD). The nominal value of these contracts amounted to USD3,411,008,000, JPY563,165,000, GBP12,000,000, EUR227,280,000, HKD40,700,000, AUD24,000,000, SEK40,000,000 and CAD1,733,000, respectively. Pursuant to these forward contracts, the Group are required to buy/sell foreign currencies, such as USD, JPY, GBP, EUR, HKD, AUD, SEK and CAD of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These forwards contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts range from 7 January 2021 to 31 October 2022.

(2) Foreign exchange option contracts

As at 31 December 2020, the Group had certain unsettled forward contracts, mainly denominated in USD and JPY. The nominal value of these contracts amounted to USD1,600,000 and JPY20,000,000. Pursuant to these future contracts, the Group are required to buy/sell USD and JPY of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These future contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts range from 21 January 2021 to 21 April 2021.

(3) Interest rate swap contracts

As at 31 December 2020, the Group had 9 unsettled interest swap contracts denominated in USD, with a nominal value amounted to USD1,400,000,000. Their fair value of RMB94,667,000 was accounted as liabilities with RMB74,923,000 included in current liabilities and RMB19,744,000 in other non-current liabilities. The settlement dates of the aforesaid interest swap contracts ranges from 19 April 2021 to 9 March 2022.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative financial assets and liabilities (Continued)

(4) Commitment to minority shareholders

The company and its wholly-owned subsidiary CIMC Hong Kong shall compensate CIMC Offshore's minority shareholders for the difference below the agreed amount when they exit through the sale of equity to a third party. The Group's obligation to make up for this difference recognizes derivative financial liabilities at fair value.

4. Notes receivables

	31 December 2020	31 December 2019
Bank acceptance notes	307,852	580,043
Trade acceptance notes	63,043	58,068
Less : Provision for bad debts	(8,893)	(1,492)
	362,002	636,619

- (a) As at 31 December 2020, pledged notes receivable presented in the notes receivables of the Group were as follows:

	31 December 2020
Bank acceptance notes	10,966
Trade acceptance notes	11,360
	22,326

- (b) As at 31 December 2020, notes endorsed or discounted but not due, presented as notes receivables of the Group was as follows:

	Derecognized	Not Derecognized
Bank acceptance notes (i)	1,451,903	235,118
Trade acceptance notes	–	52,074
	1,451,903	287,192

- (i) In 2020, only a few bank acceptance notes receivable were endorsed or discounted by some subsidiaries of the group and derecognized, so they are still classified as financial assets measured at amortized cost. In addition, the Company and some subsidiaries of the Group discount and endorse some bank acceptance notes according to the needs of their daily fund management, so they are classified as financial assets measured at fair value and their changes are included in other comprehensive income and listed as receivables financing (Note IV.6).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivables (Continued)

(b) (Continued)

Notes receivable of the group are generated from daily business activities such as selling goods and providing services. No matter whether there is significant financing component or not, the provision for loss is measured according to the expected credit loss of the whole duration. On 31 December 2020, the group's provision for bad debts is RMB8,893,000 (31 December 2019: RMB1,492,000) measured according to the expected credit loss of the whole duration.

(c) Among the above balance, there are no notes receivable from shareholders holding more than 5% (including 5%) of voting shares of the company.

The above notes receivables are all due within one year.

5. Accounts receivables

	31 December 2020	31 December 2019
Accounts receivables	19,844,720	19,530,039
Less: Provision for bad debts	(1,208,955)	(1,135,068)
	18,635,765	18,394,971

(a) Accounts receivables analysed by customer categories was as follows:

	31 December 2020	31 December 2019
Containers manufacturing business	5,862,919	5,397,086
Road transportation vehicles business	2,860,082	2,384,897
Energy, chemical and liquid food equipment business	2,351,998	2,873,133
Offshore engineering business	1,090,162	1,316,397
Airport, fire safety and automated logistics equipment business	2,680,677	2,607,812
Logistics services business	1,797,152	1,507,332
Heavy truck business	996,499	1,650,464
Unit load business	662,858	-
Others business	1,542,373	1,792,918
Sub-total	19,844,720	19,530,039
Less: provision for bad debts	(1,208,955)	(1,135,068)
	18,635,765	18,394,971

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivables (Continued)

(b) The aging analysis of accounts receivables from the date of the initial recognition was as follows:

	31 December 2020	31 December 2019
Within 1 year (inclusive)	17,274,835	17,579,518
1 to 2 years (inclusive)	1,451,498	853,807
2 to 3 years (inclusive)	518,065	672,276
Over 3 years	600,322	424,438
Sub-total	19,844,720	19,530,039
Less: provision for bad debts	(1,208,955)	(1,135,068)
	18,635,765	18,394,971

(c) As at 31 December 2020, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for bad debts	% of total accounts receivables
Total of the five largest accounts receivables	4,038,397	8,373	20.35%

As at 31 December 2019, the total amount of the top five accounts receivables of the Group was RMB2,533,269,000, accounting for 12.97% of the total accounts receivables.

(d) Accounts receivables derecognized due to transfer of financial assets:

In 2020 and 2019, the Group has no accounts receivables derecognized due to transfer of financial asset.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivables (Continued)

(e) Provision for bad debts

For the receivables of the Group, whether there is a significant financing component or not, the loss provision is measured according to the expected credit loss of the whole duration.

- (i) As at 31 December 2020, accounts receivables with amounts that the related provision for bad debts was set aside on the individual basis are analysed as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Containers manufacturing business	3,386,508	3.15%	106,577	
Road transportation vehicles business	–	–	–	
Energy, chemical and liquid food equipment business	112,421	87.14%	97,968	Measured provision as lifetime expected credit losses
Offshore engineering business	13,578	66.43%	9,020	
Airport, fire safety and automated logistics equipment business	–	–	–	
Logistics services business	11,343	100.00%	11,343	
Heavy truck business	492,013	60.25%	296,459	
Unit load business	311,735	0.21%	650	
Others business	1,527,750	3.11%	47,437	
	5,855,348		569,454	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 31 December 2020, receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed 1 – Containers Manufacturing business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	2,222,965	0.10%	2,329	1,628,844	0.02%	320
Overdue within 1 month	99,550	0.35%	349	9,931	0.35%	35
Overdue for 1 to 3 months	72,596	0.53%	388	14,559	0.59%	86
Overdue 3 to 12 months	32,363	1.94%	627	92,441	2.71%	2,503
Overdue 1 to 2 years	47,171	3.26%	1,537	101,017	5.77%	5,829
Overdue 2 to 3 years	33	100.00%	33	519	100.00%	519
Overdue 3 to 5 years	1,615	100.00%	1,615	21,189	100.00%	21,189
Overdue for more than 5 years	118	100.00%	118	126	100.00%	126
	2,476,411		6,996	1,868,626		30,607

Collectively assessed 2 – Road transportation vehicles business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	2,106,876	2.72%	57,308	1,494,656	1.18%	17,623
Overdue within 1 month	271,165	4.76%	12,907	192,751	2.73%	5,259
Overdue for 1 to 3 months	202,684	4.76%	9,648	256,294	3.22%	8,243
Overdue 3 to 12 months	187,807	4.76%	8,940	248,003	4.04%	10,015
Overdue 1 to 2 years	33,800	17.27%	5,837	24,735	16.89%	4,178
Overdue 2 to 3 years	9,449	64.67%	6,111	16,473	58.31%	9,606
Overdue 3 to 5 years	20,504	81.67%	16,746	12,510	91.92%	11,499
Overdue for more than 5 years	27,797	100.00%	27,797	37,437	93.63%	35,051
	2,860,082		145,294	2,282,859		101,474

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 31 December 2020, receivables that are assessed for impairment on a collective group basis are as follows (Continued):

Collectively assessed 3– Energy, chemical and liquid food equipment business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime expected credit losses rate	Amount		Lifetime expected credit losses rate	Amount
	Amount		Amount	Amount		Amount
Not overdue	1,529,551	2.26%	34,623	1,773,404	0.74%	13,048
Overdue within 1 month	87,023	4.58%	3,986	94,255	3.57%	3,364
Overdue for 1 to 3 months	112,535	4.58%	5,154	292,027	3.76%	10,976
Overdue 3 to 12 months	217,335	6.84%	14,866	243,930	5.89%	14,367
Overdue 1 to 2 years	146,836	36.10%	53,008	122,565	31.17%	38,199
Overdue 2 to 3 years	26,461	48.92%	12,945	33,834	47.27%	15,995
Overdue 3 to 5 years	66,598	78.03%	51,966	88,361	72.13%	63,736
Overdue for more than 5 years	53,238	100.00%	53,238	49,932	100.00%	49,932
	2,239,577		229,786	2,698,308		209,617

Collectively assessed 4– Offshore engineering business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime expected credit losses rate	Amount		Lifetime expected credit losses rate	Amount
	Amount		Amount	Amount		Amount
Not overdue	956,975	1.08%	10,291	1,279	–	–
Overdue within 1 month	–	–	–	1,156,503	1.00%	11,529
Overdue for 1 to 3 months	–	–	–	40,205	1.00%	404
Overdue 3 to 12 months	54,693	1.10%	602	53,764	1.00%	540
Overdue 1 to 2 years	47,720	3.30%	1,575	54,019	3.43%	1,854
Overdue for more than 2 years	17,196	27.50%	4,729	7,925	49.78%	3,945
	1,076,584		17,197	1,313,695		18,272

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 31 December 2020, receivables that are assessed for impairment on a collective group basis are as follows (Continued):

Collectively assessed 5– Airport, fire safety and automated logistics equipment business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,746,553	1.14%	19,840	1,242,796	0.15%	1,892
Overdue within 1 month	227,719	4.95%	11,269	17,251	0.76%	131
Overdue for 1 to 3 months	44,836	4.95%	2,219	62,997	0.86%	543
Overdue 3 to 12 months	359,543	4.95%	17,792	819,257	3.12%	25,574
Overdue 1 to 2 years	164,292	14.52%	23,862	97,907	10.62%	10,399
Overdue 2 to 3 years	51,775	33.49%	17,342	38,560	51.66%	19,922
Overdue for more than 3 years	85,959	70.92%	60,965	15,289	85.64%	13,094
	2,680,677		153,289	2,294,057		71,555

Collectively assessed 6– Heavy truck business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	205,342	1.30%	2,673	1,065,717	0.56%	5,989
Overdue within 1 month	65,138	2.14%	1,397	41,683	2.58%	1,075
Overdue for 1 to 3 months	105,073	4.13%	4,344	58,402	3.67%	2,143
Overdue 3 to 12 months	109,902	7.56%	8,304	61,976	7.98%	4,943
Overdue 1 to 2 years	9,300	91.10%	8,472	11,994	92.25%	11,065
Overdue for more than 2 years	9,731	100.00%	9,731	6,531	92.34%	6,031
	504,486		34,921	1,246,303		31,246

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 31 December 2020, receivables that are assessed for impairment on a collective group basis are as follows (Continued):

Collectively assessed 7– Logistics services business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime expected credit losses rate	Amount		Lifetime expected credit losses rate	Amount
	Amount	losses rate	Amount	Amount	losses rate	Amount
Not overdue	1,601,805	0.34%	5,510	1,001,022	0.04%	445
Overdue within 1 month	47,559	6.91%	3,286	62,685	1.53%	957
Overdue for 1 to 3 months	59,101	11.23%	6,637	15,683	2.01%	315
Overdue 3 to 12 months	49,244	12.23%	6,023	35,484	4.47%	1,586
Overdue 1 to 2 years	21,325	49.33%	10,519	3,449	38.59%	1,331
Overdue 2 to 3 years	4,656	100.00%	4,656	13,368	88.79%	11,869
Overdue for more than 3 years	2,119	100.00%	2,119	4,352	100.00%	4,352
	1,785,809		38,750	1,136,043		20,855

Collectively assessed 8– Unit load business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime expected credit losses rate	Amount		Lifetime expected credit losses rate	Amount
	Amount	losses rate	Amount	Amount	losses rate	Amount
Not overdue	293,307	1.37%	4,017	-	-	-
Overdue within 1 month	53,551	4.27%	2,285	-	-	-
Overdue for 1 to 3 months	3,373	4.57%	154	-	-	-
Overdue 3 to 12 months	-	-	-	-	-	-
Overdue 1 to 2 years	396	41.92%	166	-	-	-
Overdue for more than 2 years	496	100.00%	496	-	-	-
	351,123		7,118	-	-	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

- (ii) As at 31 December 2020, receivables that are assessed for impairment on a collective group basis are as follows (Continued):

Collectively assessed 9- Others business:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	-	-	-	59,412	-	-
Overdue within 1 month	-	-	-	3,504	-	-
Overdue for 1 to 3 months	-	-	-	-	-	-
Overdue 3 to 12 months	14,623	42.06%	6,150	152,372	0.18%	275
Overdue 1 to 2 years	-	-	-	102,428	-	-
Overdue 2 to 3 years	-	-	-	12	-	-
Overdue 3 to 5 years	-	-	-	13,356	40.05%	5,349
Overdue for more than 5 years	-	-	-	801	100.00%	801
	14,623		6,150	331,885		6,425

- (f) The provision for bad debts this year amounted to RMB393,756,000 (2019: RMB426,864,000). A provision for bad debts amounted to RMB148,313,000 has been collected or reversed (2019: RMB132,454,000).
- (g) The accounts receivables amounted to RMB162,097,000 was written off in current year (2019: RMB41,115,000), the provision for bad debts amounted to RMB162,097,000 (2019: RMB41,115,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(h) Accounts receivables from related parties

As at 31 December 2020, the Group's accounts receivables from related parties amounted to RMB161,738,000 (31 December 2019: RMB95,018,000), accounting for 0.82% of the total accounts receivables (31 December 2019: 0.49%).

Company name	Relationship with the Group	31 December 2020			31 December 2019		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
CMIC Ocean	Associate	84,990	0.43%	913	-	-	-
SUMITOMO CORPORATION ("SUMITOMO")	Minority shareholders of subsidiaries	21,341	0.11%	-	18,067	0.09%	-
Jiangsu Wanjing	Joint venture	20,139	0.10%	547	9,736	0.05%	115
Zhoushan Changhong	Associate	10,769	0.05%	-	703	0.00%	-
Zhejiang Xinlong	Associate	10,724	0.05%	-	10,747	0.06%	-
NKY Zhenhua	Joint venture	5,577	0.03%	19	5,643	0.03%	2
Wangyue Investment	Joint venture	1,687	0.01%	-	-	-	-
Ningbo Beilun	Associate	1,008	0.01%	3	-	-	-
COSCO Shipping Lines Co., Ltd ("COSCO Shipping Line")	Subsidiary of significant shareholder	705	0.00%	-	-	-	-
Orient International Container (Jinzhou) Co., Ltd ("Orient International (Jinzhou)")	Subsidiary of significant shareholder	551	0.00%	-	-	-	-
Other related parties		4,247	0.02%	15	50,122	0.26%	15
		161,738	0.82%	1,497	95,018	0.49%	132

As at 31 December 2020 and 31 December 2019, the Group had no accounts receivables pledged to the bank as a guarantee for short-term borrowings.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Receivables financing

	31 December 2020	31 December 2019
Receivables financing	1,546,753	1,236,504
Less: provision for bad debts	(2,576)	-
	1,544,177	1,236,504

Some subsidiaries of the group discounted and endorsed bank acceptance notes and trade acceptance notes for the needs of daily fund management, and met the conditions of derecognition. Therefore, the bank acceptance notes and trade acceptance notes of the subsidiaries were classified as financial assets at FVOCI.

The group had no bank acceptance notes with single provision for impairment. As at 31 December 2020, the group have measured provision as lifetime expected credit loss amounted to RMB2,576,000 (31 December 2019: Nil). The Group believes there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default.

As at 31 December 2020, the amount of pledged bank acceptance notes receivable disclosed in receivables financing was RMB192,662,000 (31 December 2019: RMB39,640,000), and the amount of pledged trade acceptance notes receivable was RMB72,622,000 (31 December 2019: RMB28,796,000) (Note IV.28 (b)).

As at 31 December 2020, the group's endorsed or discounted but not yet due notes receivable listed in receivables financing are as follows:

	Derecognized	Not Derecognized
Bank acceptance notes	6,329,064	381,725
Trade acceptance notes	-	39,862
	6,329,064	421,587

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

(1) Other receivables analysed by categories are as follows:

		31 December 2020	31 December 2019
Receivables from demolition compensation	(i)	3,351,863	6,971
Security deposits		829,620	787,839
Receivables arising from financing for related parties	VIII.5(4)	542,410	4,084,526
Assets purchased under reverse repurchase agreements	(ii)	400,000	200,000
Tax refund receivables		252,904	244,754
Loans	(iii)	223,366	412,964
Receivables from share capital increase/ transfer		169,113	500,490
Dividends receivable		133,402	16,769
Government grants receivable		25,084	25,879
Interest receivable		11,520	23,786
Inter-bank borrowings of Finance Company		–	453,453
Others		1,003,874	1,075,444
		6,943,156	7,832,875
Less: provision for bad debts		(195,618)	(241,387)
		6,747,538	7,591,488

(i) The receivables from demolition compensation is mainly due to the compensation agreements between Southern CIMC, a subsidiary of the group, and Qianhai Yingji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Yingji"), Qianhai Jingji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Jingji"), Qianhai Shengji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Shengji"), Qianhai Shiji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Shiji") and Qianhai Chuangji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Chuangji"). The contract stipulates that Qianhai Yingji, Qianhai Jingji, Qianhai Shengji, Qianhai Shiji and Qianhai Chuangji needs to pay project demolition compensation of RMB6,673,511,000 for the Qianhai Project to Southern CIMC. As at 31 December 2020, the aforesaid receivables totaling RMB3,336,755,000 has not yet reached the contractual payment date, which agreed to be recovered in 2021.

(ii) Assets purchased under reverse repurchase agreements mainly contained the interbank pledge-style repo transactions of Finance company, one of the subsidiary of the Group.

(iii) Borrowings mainly contained car loan compensation, interbank borrowings of the Finance Company; third party borrowings and petty cash fund for staff.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(2) Loss provision and changes in book balance

	First stage					Third stage					Total
	expected credit loss in the next twelve months (collectively assessed)		expected credit loss in the next twelve months (individually assessed)		Sub-total	Lifetime expected credit losses (suffered credit impairment) (collectively assessed)		Lifetime expected credit losses (suffered credit impairment) (individually assessed)		Sub-total	
	Provision		Provision			Provision		Provision			
	Book balance	for bad debts	Book balance	for bad debts	for bad debts	Book balance	for bad debts	Book balance	for bad debts	for bad debts	
31 December 2019	3,401,678	58,829	4,227,896	9,778	68,607	19,900	8,241	183,401	164,539	172,780	241,387
Increase in current year	22,295,808	440	3,707,627	28,873	29,313	29,252	27,280	-	-	27,280	56,593
Decrease in current year	(23,751,972)	(33,584)	(3,075,413)	-	(33,584)	(20,787)	(11,166)	(74,234)	(54,254)	(65,420)	(99,004)
Including: Write-off in current year	-	-	-	-	-	(11,166)	(11,166)	(29,349)	(29,349)	(40,515)	(40,515)
Increase/(Reversal) of provision for bad debts in current year Notes (i)	-	14,508	-	(2,434)	12,074	-	(7,661)	-	(7,771)	(15,432)	(3,358)
Transfer to the third stage	(15,008)	(10,530)	(20,756)	(20,756)	(31,286)	15,008	10,530	20,756	20,756	31,286	-
31 December 2020	1,930,506	29,663	4,839,354	15,461	45,124	43,373	27,224	129,923	123,270	150,494	195,618

- (i): Except for changes in provision for bad debts caused by the increased and decreased in other receivables and conversion between the first and third stages, reversals in provision for bad debts due to changes in parameters and data used in determining expected credit losses were RMB3,358,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

As at 31 December 2020 and 31 December 2019, other receivables that are assessed individually was as follows:

(i) As at 31 December 2020, other receivables that are assessed individually was as follows:

First Stage	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Receivables from demolition compensation	3,336,755	–	–	
Security deposits	432,291	2.39%	10,330	Measured provision as expected credit losses in the next twelve months
Receivables arising from financing for related parties	232,876	–	–	
Tax refund receivables	163,651	–	–	
Receivables from share capital increase/transfer	72,150	–	–	
Loans	59,306	0.44%	259	
Others	542,325	0.90%	4,872	
	4,839,354		15,461	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	80,225	93.43%	74,958	
Receivables from share capital increase/transfer	20,475	100.00%	20,475	Measured provision as lifetime expected credit losses
Security deposits	10,313	97.02%	10,006	
Receivables from demolition compensation	3,231	100.00%	3,231	
Others	15,679	93.12%	14,600	
	129,923		123,270	

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7. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

(ii) As at 31 December 2019, other receivables that are assessed individually was as follows:

First Stage	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Loans	36,038	0.01%	5	
Receivables arising from financing for related parties	3,173,050	0.00%	80	Measured provision as expected credit losses in the next twelve months
Receivables from share capital increase/transfer	132,164	0.00%	–	
Security deposits	186,595	0.33%	624	
Tax refund receivables	81,968	0.00%	–	
Receivables from demolition compensation	2,999	0.00%	–	
Others	615,082	1.47%	9,069	
	4,227,896		9,778	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	85,757	99.03%	84,929	Measured provision as lifetime expected credit losses
Receivables from share capital increase/transfer	20,758	100.00%	20,758	
Security deposits	23,485	51.08%	11,997	
Receivables from demolition compensation	3,231	100.00%	3,231	
Others	50,170	86.95%	43,624	
	183,401		164,539	

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7. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

(iii) As at 31 December 2020 and 31 December 2019, other receivables that are assessed collectively was as follows:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
First Stage						
Assets purchased under reverse repurchase agreements	400,000	-	-	200,000	-	-
Security deposits	384,714	2,055	0.53%	575,359	30,642	5.33%
Receivables arising from financing for related parities	309,534	-	-	911,476	-	-
Dividends receivable	133,402	-	-	16,769	-	-
Tax refund receivables	89,253	-	-	162,786	12	0.01%
Receivables from share capital increase/transfer	76,488	-	-	347,568	-	-
Loans	56,101	61	0.11%	290,921	1,383	0.48%
Government grants receivable	25,084	-	-	25,879	-	-
Receivables from demolition compensation	11,877	-	-	741	-	-
Interest receivable	11,520	-	-	23,786	-	-
Inter-bank borrowings of Finance Company	-	-	-	453,453	-	-
Others	432,533	27,547	6.37%	392,940	26,792	6.82%
	1,930,506	29,663		3,401,678	58,829	

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Third Stage						
Loans	27,734	21,313	76.85%	248	31	12.50%
Security deposits	2,302	1,401	60.86%	2,400	1,431	59.63%
Others	13,337	4,510	33.82%	17,252	6,779	39.29%
	43,373	27,224		19,900	8,241	

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7. Other receivables (Continued)

- (3) The provision for bad debts this year amounted to RMB19,927,000 (2019: RMB38,731,000), among which RMB28,046,000 has been recovered or reversed (2019: RMB6,685,000).
- (4) Other receivables written off in current year amounted to RMB40,515,000 (2019: RMB203,287,000).
- (5) As at 31 December 2020, the five largest balances of other receivables are analysed as follows:

	Note	Nature	Book balance	Aging	% of total balance	Provision for bad debts
Qianhai Yingji	IV.7(1)(i)	Receivables from demolition compensation	1,565,014	within 1 year	22.54%	-
Qianhai Jingji	IV.7(1)(i)	Receivables from demolition compensation	550,353	within 1 year	7.93%	-
Qianhai Shengji	IV.7(1)(i)	Receivables from demolition compensation	488,625	within 1 year	7.04%	-
Debon Ruize 86-month regular opening of bond securities investment funds ("Debon Ruize")		Assets purchased under reverse repurchase agreements	400,000	within 1 year	5.76%	-
Qianhai Chuangji	IV.7(1)(i)	Receivables from demolition compensation	395,741	within 1 year	5.70%	-
			3,399,733		48.97%	-

- (6) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

As at 31 December 2020 and 31 December 2019, no amount due from shareholders holding more than 5% (inclusive) of the voting rights of the Company was included in the above balance of other receivables.

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7. Other receivables (Continued)

(7) As at 31 December 2020, other receivables from related parties were analysed as follows

Company name	Relationship with the Group	31 December 2020				31 December 2019			
		Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
CIMC Chancheng and its subsidiaries	Associate	3,974,927	Funding and demolition compensation	57.25%	-	-	-	-	-
Shenzhen China Merchants Real Estates Holding Co., Ltd.	Subsidiary of significant shareholder	70,650	Transfer of equity	1.02%	-	70,650	Transfer of equity	0.90%	-
OOS International	Associate	14,104	Daily transfer	0.20%	-	14,790	Daily transfer	0.19%	-
Country Garden Real Estate and its subsidiaries	Minority shareholders of the Group's former subsidiaries	-	-	-	-	1,996,083	Funding and receivables from share capital increase	25.48%	-
CMSK	Subsidiary of significant shareholder	-	-	-	-	1,431,908	Funding	18.28%	-
Yangzhou Jizhi	An associate from the beginning of the Reporting Period to October 2020	-	-	-	-	400,013	Funding	5.11%	-
Zhejiang CIMC Runyu Real Estate Co., Ltd. ("Runyu Real Estate")	An associate from the beginning of the Reporting Period to October 2020	-	-	-	-	163,067	Funding	2.08%	-
COSCO SHIPPING Lines	Subsidiary of significant shareholder	-	-	-	-	48,464	Transfer of equity	0.62%	-
Shanghai Fengyang	As an associate from the beginning of the reporting period to December 2020	-	-	-	-	34,204	Funding	0.44%	-
Qingdao Port International	Associate	-	-	-	-	28,045	Funding	0.36%	-
Nantong Xinyang Environmental Protection Panel Co., Ltd. Company ("Nantong Xinyang")	Associate	-	-	-	-	11,000	Funding	0.14%	-
Other related parties		7,337		0.11%	-	5,304		0.07%	-
		4,067,018		58.58%	-	4,203,528		53.67%	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Advances to suppliers

(1) Advances to suppliers analysed by categories are as follows:

	31 December 2020	31 December 2019
Raw material (including vessels under construction)	2,938,558	2,836,721
Others	436,539	87,746
Sub-total	3,375,097	2,924,467
Less: provision for bad debts	(40,484)	(37,114)
	3,334,613	2,887,353

(2) Aging analysis of advances to suppliers was as follows:

	31 December 2020		31 December 2019	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	2,765,957	81.95%	2,108,500	72.10%
1 to 2 years (inclusive)	119,059	3.53%	167,508	5.73%
2 to 3 years (inclusive)	34,144	1.01%	9,143	0.31%
Over 3 years	455,937	13.51%	639,316	21.86%
Sub-total	3,375,097	100.00%	2,924,467	100.00%
Less: provision for bad debts	(40,484)		(37,114)	
	3,334,613		2,887,353	

The aging is calculated from the date that advances to suppliers were recognized.

Other advances to suppliers aged over a year mainly represented the prepayment of raw materials and equipment for offshore business engineering projects by the Group. Since the production cycle of the offshore engineering project is usually more than one year, the prepayment has not yet been settled.

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8. Advances to suppliers(Continued)

- (3) As at 31 December 2020, the five largest balances of advances to suppliers are analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Total of the five largest advances to suppliers	475,638	14.09%

As at 31 December 2019, the total amount of the Group's five largest advances to suppliers amounted to RMB722,655,000, accounting for 24.71% of the total balance.

- (4) Advances to shareholders who hold more than 5% (inclusive) of the voting rights of the Company are as follows.

As at 31 December 2020 and 31 December 2019, there was no advances to shareholders who hold more than 5% (inclusive) of the voting rights of the Company.

- (5) Advances to related parties are analysed as follows:

Company name	Relationship with the Group	31 December 2020			31 December 2019		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Shuxiang Technology	An associate from the beginning of the Reporting Period to June 2020	-	-	-	1,750	0.06%	-
Shenzhen CIMC Tianyi Investment	Joint Venture	-	-	-	260	0.01%	-
Changzhou Suhang Logistics Co., Ltd.	Minority shareholder of subsidiaries	226	0.01%	-	-	-	-
		226	0.01%	-	2,010	0.07%	-

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9. Inventories

(1) Inventories summarised by categories are as follows

	31 December 2020			31 December 2019		
	Book balance	Impairment provision for inventories and costs incurred to fulfil a contract	Book value	Book balance	Impairment provision for inventories and costs incurred to fulfil a contract	Book value
Raw materials	4,891,548	(189,598)	4,701,950	4,491,923	(201,444)	4,290,479
Work in progress	4,263,942	(102,928)	4,161,014	3,910,630	(70,594)	3,840,036
Finished goods	4,558,185	(157,880)	4,400,305	5,627,051	(134,926)	5,492,125
Consignment stocks	154,491	(65)	154,426	140,725	(2)	140,723
Spare parts	248,399	(3,574)	244,825	234,760	(5,524)	229,236
Low-valued consumables	22,994	(1,194)	21,800	30,397	(314)	30,083
Materials in transit	51,424	-	51,424	27,666	-	27,666
Completed properties	50,967	(13,325)	37,642	264,894	(13,539)	251,355
Properties under development	306,505	(4,992)	301,513	25,578,254	(4,992)	25,573,262
Offshore engineering Project	1,619,837	(267,737)	1,352,100	1,528,546	(112,224)	1,416,322
Costs incurred to fulfil a contract	45,165	-	45,165	10,992	-	10,992
	16,213,457	(741,293)	15,472,164	41,845,838	(543,559)	41,302,279

As at 31 December 2020, there was no inventories included capitalized borrowing cost (31 December 2019: RMB863,642,000).

As at 31 December 2020, there was no the restricted inventories (31 December 2019: RMB8,018,099,000).

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9. Inventories (Continued)

(2) Analysis of book balance movement of inventories for the year is as follows:

	31 December 2019	Increase in current year	Decrease in current year	Transfer to Fixed assets/ Investment properties/ Construction in progress in current year	Disposal of subsidiary (Note V.2)	31 December 2020
Raw materials	4,491,923	50,926,646	(50,527,021)	-	-	4,891,548
Work in progress	3,910,630	22,391,325	(22,038,013)	-	-	4,263,942
Finished goods	5,627,051	61,679,380	(62,748,246)	-	-	4,558,185
Consignment stocks	140,725	1,110,816	(1,097,050)	-	-	154,491
Spare parts	234,760	356,401	(342,762)	-	-	248,399
Low-valued consumables	30,397	234,009	(241,412)	-	-	22,994
Materials in transit	27,666	96,495	(72,737)	-	-	51,424
Completed properties	264,894	1,167,036	(15,958)	-	(1,365,005)	50,967
Properties under development	25,578,254	55,866	(205,227)	(4,400,535)	(20,721,853)	306,505
Offshore engineering Project	1,528,546	518,918	(427,627)	-	-	1,619,837
Costs incurred to fulfil a contract	10,992	690,812	(656,639)	-	-	45,165
	41,845,838	139,227,704	(138,372,692)	(4,400,535)	(22,086,858)	16,213,457

(3) Provision for impairment of inventories and costs incurred to fulfil a contract are as follows:

Category	31 December 2019	Increase in current year	Decrease in current year		Transfer in/out in current year	Currency translation differences	31 December 2020
			Reversal	Write-off			
Raw materials	201,444	41,794	(16,418)	(37,302)	-	80	189,598
Work in progress	70,594	46,208	(950)	(12,902)	-	(22)	102,928
Finished goods	134,926	110,344	(12,786)	(72,165)	(2,007)	(432)	157,880
Consignment stocks	2	63	-	-	-	-	65
Spare parts	5,524	5,498	-	(7,399)	-	(49)	3,574
Low-valued consumables	314	948	(52)	(126)	-	110	1,194
Completed properties	13,539	-	(214)	-	-	-	13,325
Properties under development	4,992	-	-	-	-	-	4,992
Offshore engineering Project	112,224	167,917	(84)	-	-	(12,320)	267,737
	543,559	372,772	(30,504)	(129,894)	(2,007)	(12,633)	741,293

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9. Inventories (Continued)

(4) Provision for impairment of inventories are as follows:

- (a) The provision for impairment of the Group's inventories during the year was recognized mainly for the price drop of certain products and the slow-moving or waste materials.

Reversal/written off of provision for impairment of the Group's inventories during the year is as follows:

Category	Basis for provision	Reason for reversal/write-off
Raw materials	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Work in progress	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Finished goods	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Spare parts	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Low-valued consumables	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Completed properties	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Offshore engineering Project	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories

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10. Contract assets

	31 December 2020	31 December 2019
Contract assets	2,417,082	1,951,179
Less: contract assets impairment provision	(33,419)	(5,169)
	2,383,663	1,946,010

As mentioned in Note V.1, the amount of contract assets increased by RMB440,874,000 due to business combination not under common control during the year.

Regardless of whether there is a significant financing component in the contract assets, the Group measures the loss provision based on the expected credit loss for the entire duration.

As at 31 December 2020, impairment provision of contract assets individually assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Offshore engineering	719,463	0.13%	917	Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	1,037,352	2.54%	26,360	
	1,756,815		27,278	

As at 31 December 2020, impairment provision of contract assets collectively assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Airport, fire and automation logistics equipment	660,267	0.93%	6,141	Measured provision as lifetime expected credit losses

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11. Current portion of non-current assets

	31 December 2020	31 December 2019
Finance lease receivables (Note IV .16)	5,934,766	6,295,488
Less: unrealised financing income	(1,261,351)	(1,413,242)
Finance lease receivables – net	4,673,415	4,882,246
Sales of goods by installment	6,809	17,782
Others	357,548	233,037
Less: impairment provisions	(888,235)	(838,396)
	4,149,537	4,294,669

As at 31 December 2020, the balance of the long-term receivables from related parties due within one year of the Group was as below:

Company Name	Relationship with the Group	31 December 2020	31 December 2019
LiHua Energy	Associate	157,802	157,799
Y&C Engine	Joint Venture	–	1,256
New Horizon Shipping UG	Joint Venture	14,621	14,370
Zhongyi Xinwei	Associate	3,206	11,846
		175,629	185,271

12. Other current assets

	31 December 2020	31 December 2019
Tax deductible/withheld	1,032,039	1,157,002
Others	281,659	251,855
	1,313,698	1,408,857

13. Other debt investments

	31 December 2020	31 December 2019
China Development Bank 2015 Tenth Financial Bonds	–	31,272
Less: other debt investments impairment provisions	–	–
	–	31,272

The Group has disposed of this other debt investment in 2020.

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14. Other equity investments

(1) Equity investments

	31 December 2020	31 December 2019
Unlisted company equity		
– Bank of Communications Schroder Fund Management Co., Ltd. (“ BOCM Schroder ”)	308,204	424,094
– China United International Rail Containers Co., Ltd. (“ CR Intermodal ”)	301,631	303,943
– Zhuhai Yunzhou-Tech Co., Ltd. (“ Yunzhou-Tech ”)	–	43,046
– Shanghai Shangqiao Supply Chain Service Co., Ltd. (“ Shanghai Shangqiao ”)	–	10,920
– Chongqing Meixin Yishen Machinery Co., Ltd. (“ Chongqing Meixin ”)	–	15,000
– Ningbo Beilun Donghua Container Service Co., Ltd. (“ Ningbo Beilun ”)	–	1,200
– Yueguan Advanced Manufacturing Industry (Dongguan) Equity Investment Fund (Limited Partnership) (“ Yueguan Fund ”)	–	43,965
– Shenzhen CIMC Intelligent Technology Co., Ltd. (“ CIMC Intelligent Technology ”)	11,700	–
– Xiamen HuaRui Overseas Returnees Biling and School (“ Xiamen HuaRui ”)	5,855	5,855
– China Railway Special Cargo Services Co.,LTD (“ China Railway Special Cargo ”)	155,300	161,563
Listed company equity		
– Shouchang International Enterprise Co., Ltd. (“ Shouchang International ”)	388,057	361,421
– Otto Energy Limited	611	2,378
	1,171,358	1,373,385
	31 December 2020	31 December 2019
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	300,079	415,969
	308,204	424,094
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	(79,149)	(76,837)
	301,631	303,943

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14. Other equity investments (Continued)

(1) Equity investments (Continued)

	31 December 2020	31 December 2019
Yunzhou-Tech		
– Historical cost	–	20,000
– Accumulated changes in fair value	–	23,046
	–	43,046
Shanghai Shangqiao		
– Historical cost	–	10,000
– Accumulated changes in fair value	–	920
	–	10,920
Chongqing Meixin		
– Historical cost	–	15,000
– Accumulated changes in fair value	–	–
	–	15,000
Ningbo Beilun		
– Historical cost	–	1,200
– Accumulated changes in fair value	–	–
	–	1,200
Yueguan Fund		
– Historical cost	–	44,060
– Accumulated changes in fair value	–	(95)
	–	43,965

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14. Other equity investments (Continued)

(1) Equity investments (Continued)

	31 December 2020	31 December 2019
CIMC Intelligent Technology		
– Historical cost	11,700	–
– Accumulated changes in fair value	–	–
	11,700	–
Xiamen HuaRui		
– Historical cost	5,855	5,855
– Accumulated changes in fair value	–	–
	5,855	5,855
China Railway Special Cargo		
– Historical cost	161,563	161,563
– Accumulated changes in fair value	(6,263)	–
	155,300	161,563
Shouchang International		
– Historical cost	191,383	203,710
– Accumulated changes in fair value	196,674	157,711
	388,057	361,421
Otto Energy Limited		
– Historical cost	5,304	5,674
– Accumulated changes in fair value	(4,693)	(3,296)
	611	2,378

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Other equity investments (Continued)

(1) Equity investments (Continued)

The shareholding ratio of the Group in the above companies are as follows:

	Shareholding ratio
Unlisted company equity	
– BOCM Schroder	5.00%
– CR Intermodal	10.00%
– CIMC Intelligent Technology	13.00%
– Xiamen HuaRui	4.00%
– China Railway Special Cargo	1.00%
Listed company equity	
– Shouchang International	4.36%
– Otto Energy Limited	0.36%

15. Other non-current financial assets

	31 December 2020	31 December 2019
Equity investment that is measured at fair value and whose changes are included in the current profit and loss	101,885	–
Foreign exchange forward contract (Note IV.3(1))	605	–
Interest rate swap contracts (Note IV.3(3))	–	74,445
	102,490	74,445

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16. Long-term receivables

	31 December 2020	31 December 2019
Finance lease receivables	23,523,260	26,948,998
Less: unrealised financing income	(6,588,053)	(8,337,211)
Finance lease receivables – net	16,935,207	18,611,787
Sales of goods by installments	76,634	84,853
Others	454,579	598,854
Sub-total	17,466,420	19,295,494
Less: impairment provisions	(1,339,607)	(1,223,156)
Sub-total	16,126,813	18,072,338
Less: current portion of non-current assets	(4,149,537)	(4,294,669)
	11,977,276	13,777,669

As at 31 December 2020, there was no long-term receivables due from shareholders holding more than 5% (inclusive) of the voting rights of the Company or related parties. (31 December 2019: Nil)

The total future minimum lease receipts under finance lease after the balance sheet date, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date), are analysed as follows:

Minimum lease receipts	31 December 2020	31 December 2019
Within 1 year (inclusive)	5,934,766	6,295,488
1 and 2 years (inclusive)	3,248,077	3,484,786
2 and 3 years (inclusive)	2,187,576	2,779,570
Over 3 years	12,152,841	14,389,154
	23,523,260	26,948,998

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16. Long-term receivables (Continued)

As at 31 December 2020, the long-term receivables derecognized due to transferring of financial assets in current year amounted RMB773,526,000 (31 December 2019: RMB1,148,967,000):

	Derecognition amount	The income from derecognition
Finance lease receivables	773,526	85,992

The analysis of long-term accounts receivable from related parties is as follows:

Company name	Relationship with the Group	31 December 2020	31 December 2019
New Horizon Shipping UG	Joint Venture	510,711	561,667
Zhongyi Xinwei	Associate	7,078	9,586
Hongxin Venture Workshop Investment Group Co., Ltd. ("Hongxin Venture Workshop")	Minority shareholder of subsidiaries	76,776	-
		594,565	571,253

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16. Long-term receivables (Continued)

(1) Loss provision and changes in book balance:

	First stage			Second stage			Third stage				Sub-total	Total	
	Expected credit loss in the next twelve months (collectively assessed)		Expected credit loss in the next twelve months (individually assessed)		Provision for bad debts	Lifetime expected credit losses (Credit risk has increased significantly but credit impairment has not yet occurred) (collectively assessed)		Lifetime expected credit losses (suffered credit impairment) (collectively assessed)		Lifetime expected credit losses (suffered credit impairment) (individually assessed)			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts		Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance			Provision for bad debts
31 December 2019	7,315,061	227,927	10,557,098	106,015	333,942	788,392	350,457	84,790	78,409	550,153	460,348	538,757	1,223,156
Increase in current year	2,474,191	85,754	444,081	-	85,754	-	-	-	-	41,514	37,847	37,847	123,601
Decrease in current year	(3,624,263)	(122,188)	(822,122)	(8,256)	(130,444)	(244,521)	(55,804)	(26,934)	(24,005)	(71,020)	(71,020)	(95,025)	(281,273)
Including: Write-off in current year	-	-	-	-	-	-	-	(20,169)	(20,169)	-	-	(20,169)	(20,169)
Derecognize	-	-	(773,526)	-	-	-	-	-	-	-	-	-	-
Increase/reversal of provision for bad debts in current year (i)	-	39,514	-	37,754	77,268	-	188,749	-	4,440	-	3,666	8,106	274,123
Transfer to the third stage	(41,513)	(41,513)	-	-	(41,513)	(46,091)	(36,544)	87,604	78,057	-	-	78,057	-
Transfer back to the first stage	52,442	9,961	-	-	9,961	(52,442)	(9,961)	-	-	-	-	-	-
Transfer to the second stage	(218,600)	(6,212)	-	-	(6,212)	218,600	6,212	-	-	-	-	-	-
31 December 2020	5,957,318	193,243	10,179,057	135,513	328,756	663,938	443,109	145,460	136,901	520,647	430,841	567,742	1,339,607

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16. Long-term receivables (Continued)

(1) Loss provision and changes in book balance (Continued):

- (i) As at 31 December 2020, the provision for bad debts of long-term receivables that are individually assessed in the first stage are as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Individually assessed:				Measured provision as expected credit losses in the next twelve months
Finance lease receivables	10,179,057	1.33%	135,513	

As at 31 December 2020 and 31 December 2019, the provision for bad debts of long-term receivables that are collectively assessed in the first stage are as follows:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	5,525,609	3.45%	190,432	6,764,962	3.34%	226,056
Sales of goods by installments	38,958	-	-	48,119	-	-
Others	392,751	0.72%	2,811	501,980	0.37%	1,871
	5,957,318		193,243	7,315,061		227,927

- (ii) As at 31 December 2020, the provision for bad debts of long-term receivables that are collectively assessed in the second stage are as follows:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	602,110	69.48%	418,336	720,600	47.25%	340,500
Others	61,828	40.07%	24,773	67,792	14.69%	9,957
	663,938		443,109	788,392		350,457

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16. Long-term receivables (Continued)

(1) Loss provision and changes in book balance (Continued):

(iii) As at 31 December 2020, the provision for bad debts of long-term receivables that are individually assessed in the third stage are as follows:

	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Individually assessed:				Measured provision
Finance lease receivables	520,647	82.75%	430,841	as lifetime expected credit losses
	520,647		430,841	

As at 31 December 2020 and 31 December 2019, the provision for bad debts of long-term receivables that are collectively assessed in the third stage are as follows:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	107,784	92.06%	99,225	18,974	66.37%	12,593
Sales of goods by installments	37,676	100.00%	37,676	36,734	100.00%	36,734
Others	-	-	-	29,082	100.00%	29,082
	145,460		136,901	84,790		78,409

(2) As at 31 December 2020, long-term receivables with book balance of RMB7,726,484,000 have been used as the guaranty of long-term loans of USD271,613,000 (equivalent to RMB1,772,247,000) and long-term loans due within one year of USD96,377,000 (equivalent to RMB628,848,000). (Note IV.28)

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17. Long-term equity investments

(1) Classification of long-term equity investments:

		31 December 2020	31 December 2019
Joint ventures	(2)	1,014,833	727,962
Associates	(3)	8,236,251	4,788,120
		9,251,084	5,516,082
Less: impairment provisions for long-term equity investments		(152,500)	(152,508)
		9,098,584	5,363,574

There was no substantial restriction of the realisation of long-term equity investments.

No substantial restriction exists which prohibits the transfer of funds between the Group and the joint ventures and associates.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investments (Continued)

(2) Long-term equity investments in joint ventures:

	31 December 2019	Movement in current year						31 December 2020	Impairment provisions
		Increase/Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Provision for impairment		
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("Guangxi Southern Logistics")	56,525	-	9,254	-	-	(8,223)	-	57,556	-
Jiangsu Wanjiang Technology Co., Ltd. ("Jiangsu Wanjiang")	12,286	-	538	-	-	-	-	12,824	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NYK Zhenhua")	68,052	125	3,492	-	-	(3,499)	-	68,170	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd.	28,609	-	545	-	-	(7,650)	-	21,504	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	15,221	-	2,928	-	-	(3,002)	(752)	14,395	-
Dalian Jilong & Baijian Logistics Co., Ltd.	5,149	-	(165)	-	-	(1,926)	(156)	2,902	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	18,231	-	209	-	-	(2,271)	(1,642)	14,527	-
Tianjin Jinshi Baijian Container Maintenance Co., Ltd.	6,397	-	54	-	-	(577)	(198)	5,676	-
Y&C Engine Co., Ltd. ("Y&C Engine")	268,176	-	(22,320)	-	-	-	-	245,856	-
Shenzhen CIMC Mobile Internet of Things International Operation Service Co., Ltd. ("CIMC Mobile IoT")	36	(36)	-	-	-	-	-	-	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership	50,066	-	-	-	-	-	-	50,066	-
New Horizon Shipping UG Chemgas Schifffahrts UG (haftungsbeschränkt) & Co. MT "GASCHEMNARWHAL"KG	35,615	-	-	-	-	-	(2,166)	33,449	-
Shenzhen CIMC Lvmal Logistics and Intelligent Transportation Private Equity Investment Fund Partnership (Limited Partnership)	95,854	-	-	-	-	-	(6,202)	89,652	-
Shenzhen CIMC Lvmal Logistics and Intelligent Transportation Private Equity Investment Fund Partnership (Limited Partnership)	56,931	-	(697)	-	-	-	-	56,234	-
Guangxi Angel Education Investment Co., Ltd.	2,000	(500)	-	-	-	-	-	1,500	-
Bavaria Egypt	868	-	-	-	-	-	24	892	-
Shenzhen Xinghuo Chelian Technology Co., Ltd. ("Xinghuo Chelian")	515	2,800	(379)	-	1,011	-	-	3,947	-
Yantai Jinghai Ocean Fishery Co., Ltd.	-	89,600	(2,009)	-	-	-	-	87,591	-
Shenzhen CIMC Tianyi Equity Investment Management Partnership (Limited Partnership) ("Tianyi Equity Investment Management")	7,431	-	303	-	-	(2,151)	-	5,583	-
Shenzhen Tianyi Changmao Investment Partnership (Limited Partnership)	-	1,000	-	-	-	-	-	1,000	-
Gongqingcheng CIMC Water Investment Environmental Protection Industry Investment Partnership	-	66,660	859	-	-	-	-	67,519	-
Shenzhen Wangyue Equity Investment Fund Partnership (Limited Partnership) ("Wangyue Investment")	-	173,000	990	-	-	-	-	173,990	-
	727,962	332,649	(6,398)	-	1,011	(29,299)	(11,092)	1,014,833	-

Refer to Note VI.2 for equity in joint ventures.

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17. Long-term equity investments (Continued)

(3) Long-term equity investments in associates:

	Movement in current year								31 December 2020	Impairment provisions
	31 December 2019	Increase/ Decrease in 1investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Provision for impairment	Currency translation differences		
Xinyang Wood Hong Kong Co., Ltd. ("XYW")	8,372	-	-	-	-	-	-	(367)	8,005	-
Xiamen CIMC Haitou Container Service Co., Ltd. ("Xiamen CIMC Haitou")	23,537	-	(2,682)	-	-	(1,683)	-	(348)	18,824	-
Dalian Jilong Logistics Co., Ltd.	52,532	-	(7,426)	-	-	(23,790)	-	(1,700)	19,616	-
Senju (Jiangmen) Technology Material Co., Ltd. ("Senju Jiangmen")	42,782	-	(1,671)	-	-	-	-	-	41,111	-
Shenzhen CIMC Chancheng Development Group Co., Ltd. and its subsidiaries (i)	-	7,024,391	149,385	-	-	(6,618)	-	-	7,167,158	-
Shanghai Fengyang Real Estate Development Co., Ltd. ("Shanghai Fengyang")	179,571	(207,776)	28,205	-	-	-	-	-	-	-
Ocean En-Tech ("CMIC Ocean")	54,716	-	2,502	-	-	-	-	(14,492)	42,726	-
Marine Subsea & Consafe Limited	2	-	-	-	-	-	-	-	2	(2)
LiHua gas storage and transportation Co., Ltd. ("LiHua Energy")	111,415	-	-	-	-	-	(1,366)	-	111,415	(111,415)
Jiangsu Ruicheng Machinery Co., Ltd.	44,070	(44,070)	-	-	-	-	-	-	-	-
Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd.	2,608	-	-	-	-	-	-	-	2,608	(2,608)
Newtown Optoelectronics Technology (Shanghai) Co., Ltd.	16,163	-	-	-	-	-	-	-	16,163	-
Xuzhou CIMC Wood Co., Ltd. ("Xuzhou CIMC Wood")	27,784	(27,784)	-	-	-	-	-	-	-	-
Tianjin Shounong Dongjiang Animal Husbandry Co., Ltd.	20,095	(20,095)	-	-	-	-	-	-	-	-
Qingdao Port International Trade and Logistics Co., Ltd. ("Qingdao Port International")	53,653	-	7,458	-	-	(8,127)	-	-	52,984	-
Jiahua Shipping Co., Ltd.	102,811	-	(21,159)	-	-	-	-	(3,274)	78,378	(37,564)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in current year								31 December 2020	Impairment provisions
	31 December 2019	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Provision for impairment	Currency translation differences		
Xindu Freight Co., Ltd.	1,364	-	147	-	-	-	-	-	1,511	-
Chifeng Lvtianyuan Farm Co., Ltd.	6,296	-	176	-	-	-	-	-	6,472	-
CIMC Arabia Factory Company Limited	2,971	(2,971)	-	-	-	-	-	-	-	-
North Sea Rigs AS	13,720	-	-	-	-	-	(918)	-	12,802	-
Chengdu To Communication Equipment Co., Ltd.	1,714	(800)	(72)	-	-	-	-	-	842	-
Shenzhen Road Network Technology Co., Ltd.	6,136	-	97	-	-	-	-	-	6,233	-
Beijing Boxcool Exhibition Co., Ltd.	13,489	-	(931)	-	-	-	-	-	12,558	-
Guangzhou C•H Control Technology Co., Ltd.	35,139	(35,139)	-	-	-	-	-	-	-	-
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	1,653	-	(127)	-	-	-	(911)	-	1,526	(911)
Zhejiang Xinlong Bamboo Industry Co., Ltd. ("Zhejiang Xinlong")	11,031	-	(11,031)	-	-	-	-	-	-	-
Ningguo Guangshen Bamboo Products Co., Ltd. ("Ningguo Guangshen")	336	(336)	-	-	-	-	-	-	-	-
Fujian Qingchen Bamboo Industry Co., Ltd. ("Qingchen bamboo industry")	4,574	-	(195)	-	-	-	-	-	4,379	-
Mori (Shanghai) International Trade Co., Ltd.	809	-	(239)	-	-	-	-	-	570	-
Shenzhen Cadro Hydraulic Equipment Co., Ltd. ("Cadro Hydraulic")	22,862	-	3,734	-	1,009	-	-	-	27,605	-
Sichuan Zhongyixinwei Energy Co., Ltd. ("Zhongyixinwei")	34,471	-	(1,140)	-	-	-	-	-	33,331	-
Henan Yida Tianxia Logistics Technology Co., Ltd.	2,103	(2,336)	233	-	-	-	-	-	-	-
Shenzhen Chaojianling Network Technology Co., Ltd.	61	(61)	-	-	-	-	-	-	-	-
Shanghai Xinbaiqin Special Vehicle Co., Ltd.	17,185	(23,738)	6,553	-	-	-	-	-	-	-
Hengqin CIMC Ruidexin Innovative Venture Capital Fund, LP.	29,971	(4,905)	(761)	-	-	-	-	-	24,305	-
Qingdao Port International Trade Logistics Ltd.	9,879	-	1,094	(12)	-	(1,667)	-	-	9,294	-
Ningbo Huaxiang Automotive New Material Technology Co., Ltd.	-	4,000	(2,537)	-	-	-	-	-	1,463	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	31 December 2019	Movement in current year						31 December 2020	Impairment provisions
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Provision for impairment		
Zhenjiang Shen Xing Tai Bao Technology Co., Ltd. ("Shen Xing Tai Bao ")	1,846	(1,491)	(355)	-	-	-	-	-	-
Cela S.r.L.	22,576	-	3,499	-	-	-	661	26,736	-
OOS International Holding ("OOS International")	6,205	-	(3,047)	-	-	-	269	3,427	-
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean ")	21,718	-	4,171	-	-	(4,624)	-	21,265	-
Zhoushan Changhong International Ship Repair Co., Ltd. ("Zhoushan Changhong")	228,246	61,000	41,454	-	-	-	-	330,700	-
Nantong CIMC Yike New Material Development Co., Ltd.	7,905	-	813	-	-	-	-	8,718	-
Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. ("Shangrong Real Estate")(ii)	1,613,404	(1,880,020)	266,616	-	-	-	-	-	-
Shanghai Yinfeng Robot Co., Ltd.	19,941	(19,941)	-	-	-	-	-	-	-
Shenzhen Taiziwan Shangtai Real Estate Co., Ltd. ("Shangtai Real Estate") (ii)	1,611,123	(1,646,446)	35,323	-	-	-	-	-	-
CIMC Donghan (Shanghai) Shipping Co., Ltd	36,487	(12,064)	922	(7,913)	-	-	-	17,432	-
Tianjin Port CIMC Zhenhua Logistics Co., Ltd	9,954	(10,044)	90	-	-	-	-	-	-
Shitie Special Goods (Beijing) International Logistics Co., Ltd. ("Shitie Special Goods")	25,357	-	621	-	-	-	-	25,978	-
Tianjin Binhai COSCO Container Logistics Co., Ltd.	19,802	10,044	420	-	-	-	-	30,266	-
Yangzhou Jizhi Real Estate Co., Ltd. ("Yangzhou Jizhi") (ii)	173,760	(151,738)	(22,022)	-	-	-	-	-	-
Shenzhen Bijie Zhigu Investment Development Co., Ltd. ("Bijie Zhigu") (ii)	3,200	(3,200)	-	-	-	-	-	-	-
Guizhou Yinke Environmental Resources Co., Ltd	20,731	8,415	(3,310)	-	4,306	-	-	30,142	-
Yichuan Tianyun clean energy Co., Ltd	301	17,979	260	-	-	-	-	18,540	-
Shandong Nanhuangcheng Ocean Development Co., Ltd	7,668	(7,668)	-	-	-	-	-	-	-
Fujian Laoken Medical sterilization Service Co., Ltd	500	(500)	-	-	-	-	-	-	-
Ningbo Beilun Donghua Container Service Co., Ltd. ("Ningbo Beilun")	-	1,200	3,275	-	-	(810)	-	3,665	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in current year								31 December 2020	Impairment provisions
	31 December 2019	Increase/ Decrease in Investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Provision for impairment	Currency translation differences		
Tianzhu (Shanghai) International Freight Agency Co., Ltd. (" Tianzhu International ")	1,521	-	1	-	-	-	-	-	1,522	-
Shenzhen Zhonglian Industry-University- Research Technology Co., Ltd.	-	111	-	-	-	-	-	-	111	-
Chongqing Changliang Logistics Technology Co., Ltd.	-	4,215	409	-	-	-	-	-	4,624	-
Qingdao Senkete Intelligent Instrument Co., Ltd.	-	10,000	1,244	-	-	-	-	-	11,244	-
	4,788,120	3,038,232	479,997	(7,925)	5,315	(47,319)	(2,277)	(20,169)	8,236,251	(152,500)

- (i) The Group's investment in CIMC Chancheng includes directly holding 45.92% of the equity in CIMC Chancheng and indirect holding of 34.44%-62.14% of the equity of CIMC Chancheng subsidiary project company.
- (ii) As of 31 December 2020, as CIMC Chancheng is no longer included in the scope of the Group's consolidation, Shangrong Real Estate, Shangtai Real Estate, Yangzhou Jizhi, and Biji Zhigu cease to form joint ventures of the Group. Please refer to Note XII for details.

Refer to Note VI.2 for equity in associates.

As of 31 December 2020, based on the impairment test results obtained by comparing the recoverable amount of long-term equity investment in joint ventures and associates with their book value, the Group made provision for impairment in RMB for LiHua Energy and Shanghai Tanklink this year 2,277,000 yuan, except for MSC, Shanghai Tanklink, LiHua Energy, Jiuquan Cryogenic and Jiahua Shipping, there is no need to withdraw impairment provisions for long-term equity investments in other joint ventures and joint ventures (31 December 2019: RMB149,163,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2019	1,552,800	413,477	1,966,277
Changes in fair value	32,249	907	33,156
Transferred from fixed assets	28,341	–	28,341
Transferred from inventories	334,461	–	334,461
Transferred from construction in progress	275	–	275
Revaluation gains upon transfers	412,336	–	412,336
Transferred to other assets	(11,410)	–	(11,410)
Currency translation differences	6,279	–	6,279
31 December 2019	2,355,331	414,384	2,769,715

	Buildings and relevant land use rights	Land use rights	Total
1 January 2020	2,355,331	414,384	2,769,715
Changes in fair value	(31,123)	356	(30,767)
Transferred from fix assets	11,228	–	11,228
Transferred from inventories (i)	4,400,535	–	4,400,535
Transferred from Intangible assets	11,263	–	11,263
Transferred to fix assets	(57,970)	–	(57,970)
Disposal this year	–	(176,900)	(176,900)
Disposal of subsidiaries (Note V. 2) (i)	(5,478,399)	–	(5,478,399)
Currency translation differences	(10,735)	–	(10,735)
31 December 2020	1,200,130	237,840	1,437,970

- (i) The inventory transferred to investment real estate this year is all the real estate development products of Shenzhen Shangqi and Shanghai Zhifei, a subsidiary of CIMC Chancheng.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Investment properties (Continued)

In 2020 and 2019, no capitalization is included in the borrowing costs of investment real estate.

In 2020, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was RMB30,767,000 (2019: RMB33,156,000).

In 2020, the Group disposed of the investment real estate of its subsidiary Yangshan Logistics (2019: Nil), with a disposal income of RMB100,785,000 (2019: Nil).

As at 31 December 2020, the buildings with carrying amount of about RMB150,446,000 (31 December 2019: RMB213,896,000) had not been entitled the property ownership certificates due to unfinished entitling procedures. The certificate is expected to be granted in 2021. As at 31 December 2020, the land use right with carrying amount of RMB31,860,000 has not been entitled the property ownership certificates (31 December 2019: RMB31,860,000).

19. Fixed assets

	31 December 2020	31 December 2019
Fixed assets (a)	35,284,483	37,834,537
Disposal of fixed assets (b)	27,178	14,721
	35,311,661	37,849,258

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Fixed assets (Continued)

(a) Fixed assets

	Plants and buildings		Machinery and equipment		Office & other equipment		Motor vehicles		Offshore engineering equipment	Dock and wharf	Total
	For own use	For rent use	For own use	For rent use	For own use	For rent use	For own use	For rent use	For rent use	For own use	
Original cost											
31 December 2019	12,332,811	289,088	11,432,403	249,124	2,533,672	6,223	1,367,906	-	26,495,565	1,241,258	55,948,050
Business combination	77,886	-	20,989	-	968	-	4,775	-	-	-	104,618
Additions	245,724	12,816	580,420	70,239	294,392	721	174,209	95,990	15,960	-	1,490,471
Transferred from investment properties	57,970	-	-	-	-	-	-	-	-	-	57,970
Transferred from construction in progress	337,177	-	587,986	-	44,142	-	126,648	-	2,829	1,496	1,100,278
Transferred to investment properties	(11,486)	-	-	-	-	-	-	-	-	-	(11,486)
Divided as held for sale	(70,411)	-	(12,010)	-	-	-	-	-	-	-	(82,421)
Decrease in disposal of subsidiaries (Note V. 2)	(271,620)	-	(2,099)	-	(50,689)	-	(3,576)	-	-	-	(327,984)
Other reduction	(507,526)	(4,224)	(863,832)	(94,629)	(282,118)	(1,276)	(96,481)	-	(407,815)	(1,808)	(2,259,709)
Currency translation difference	(58,726)	-	(109,144)	-	(40,584)	-	(32,371)	-	(1,572,508)	(49,876)	(1,863,209)
31 December 2020	12,131,799	297,680	11,634,713	224,734	2,499,783	5,668	1,541,110	95,990	24,534,031	1,191,070	54,156,578
Accumulated depreciation											
31 December 2019	3,228,254	73,013	5,228,225	105,054	1,367,147	3,603	584,314	-	2,041,695	318,064	12,949,369
Provision	464,486	12,191	794,067	70,186	360,977	1,146	161,579	20,755	715,010	1,075	2,601,472
Transferred to investment properties	(258)	-	-	-	-	-	-	-	-	-	(258)
Divided as held for sale	(30,265)	-	(9,789)	-	-	-	-	-	-	-	(40,054)
Decrease in disposal of subsidiaries (Note V. 2)	(38,169)	-	(1,902)	-	(32,886)	-	(2,567)	-	-	-	(75,524)
Other reduction	(94,154)	(1,355)	(600,303)	(54,736)	(178,586)	(1,217)	(61,310)	-	(209,318)	(548)	(1,201,527)
Currency translation difference	(9,870)	-	(54,500)	-	(22,975)	-	(13,071)	-	(134,683)	(17,826)	(252,925)
31 December 2020	3,520,024	83,849	5,355,798	120,504	1,493,677	3,532	668,945	20,755	2,412,704	300,765	13,980,553
Impairment provisions											
31 December 2019	235,604	-	43,112	749	6,475	-	17,514	-	4,860,690	-	5,164,144
Provisions	-	-	950	-	-	-	-	-	49,335	-	50,285
Disposals	(934)	-	(5,257)	(749)	(2)	-	(130)	-	(73,980)	-	(81,052)
Currency translation difference	96	-	(2,989)	-	(38)	-	(998)	-	(237,906)	-	(241,835)
31 December 2020	234,766	-	35,816	-	6,435	-	16,386	-	4,598,139	-	4,891,542
Net book value											
31 December 2020	8,377,009	213,831	6,243,099	104,230	999,671	2,136	855,779	75,235	17,523,188	890,305	35,284,483
31 December 2019	8,868,953	216,075	6,161,066	143,321	1,160,050	2,620	766,078	-	19,593,180	923,194	37,834,537

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19. Fixed assets (Continued)

(a) Fixed assets (Continued)

As at 31 December 2020, the book value of the fixed assets with restricted ownership of the Group was RMB75,124,000. Please refer to Note IV.28. Among them, the equipment with book value of about RMB37,291,000 (original price of RMB187,578,000) was pledged as long-term payable RMB13,795,000.

In 2020, depreciation of fixed assets recognized amounted to RMB2,601,472,000 (2019: RMB2,085,555,000), of which RMB2,189,444,000, RMB43,083,000, RMB243,198,000 and RMB125,747,000 (2019: RMB1,758,560,000, RMB38,507,000, RMB170,231,000 and RMB118,257,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, research and development expenses, respectively.

In 2020, the original cost of fixed assets transferred from construction in progress was RMB1,100,278,000 (2019: RMB2,555,071,000).

(1) Temporarily idle fixed assets

As at 31 December 2020, the carrying amount of temporarily idle buildings, machinery and equipment amounts to RMB34,761,000 (original cost of RMB52,067,000) (31 December 2019: carrying amount of RMB73,062,000 and original cost of RMB117,324,000). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provisions	Carrying amount
Buildings	30,404	(4,863)	–	25,541
Machinery and equipment	15,839	(9,096)	(157)	6,586
Transportation	4,793	(2,256)	–	2,537
Office & other equipment	1,031	(880)	(54)	97
	52,067	(17,095)	(211)	34,761

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Fixed assets (Continued)

(a) Fixed assets (Continued)

(2) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reason for pending
Factory	946,002	Put to use, certificate being in the progress
Office building	103,972	Put to use, certificate being in the progress
Workshop	108,209	Put to use, certificate being in the progress
Dormitory and canteen	69,204	Put to use, certificate being in the progress
Warehouse	53,056	Put to use, certificate being in the progress
Others	133,324	Put to use, certificate being in the progress
	1,413,767	

(3) The lease contracts of machinery & equipment and motor vehicles signed by the Group as the lessor have no residual value guarantee clauses.

(b) Disposal of fixed assets

	31 December 2020	31 December 2019
Machinery and equipment	25,877	14,417
Transportation equipment	2	56
Office & other equipment	1,266	215
Special equipment for marine engineering	33	33
	27,178	14,721

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20. Construction in progress

(1) Construction in progress

	31 December 2020			31 December 2019		
	Book balance	Impairment provisions	Carrying amount	Book balance	Impairment provisions	Carrying amount
Medium deep and ultra deep water drilling platform project	7,394,144	(1,450,382)	5,943,762	7,828,456	(1,520,502)	6,307,954
Raffles H273 and H1293 project	2,277,979	(674,737)	1,603,242	2,384,496	(726,851)	1,657,645
Enric Low temperature plant renovation project	339,819	-	339,819	414,606	-	414,606
YZTH factory relocation project	449,421	-	449,421	238,712	-	238,712
Dongguan southern CIMC Fenggang phase 2 project	280,668	-	280,668	152,301	-	152,301
Financial information system construction project	16,710	-	16,710	120,967	-	120,967
CIMC Chancheng Shenzhen Bright CIMC Zhiyuan Self-sustaining Industrial Park	-	-	-	88,965	-	88,965
Raffles shore crane project	81,327	-	81,327	81,327	-	81,327
Financial leasing Maersk 2300TEU container ship project	63,846	-	63,846	62,351	-	62,351
TAS Industrial Park Phase III Dormitory project	58,021	-	58,021	58,106	-	58,106
CIMCDV dormitory and office building project	-	-	-	43,818	-	43,818
Humadian CIMC Huajun Lighthouse project	22,084	-	22,084	26,337	-	26,337
WHVS painting line upgrade project	22,551	-	22,551	22,284	-	22,284
Raffles CR600 platform adaptive transformation	22,132	-	22,132	18,567	-	18,567
Dongguan Multimodal Transport building project	18,483	-	18,483	18,483	-	18,483
TCCRC workshop renovation project	8,005	-	8,005	17,855	-	17,855
TCCIMC relocation and reconstruction project	14,984	-	14,984	16,719	-	16,719
Zhumadian CIMC Huajun production maintenance investment	6,075	-	6,075	16,609	-	16,609
Enric workshop construction project	24,325	-	24,325	13,928	-	13,928
CIMCNB water-based paint coating line reconstruction and waste treatment project	14,495	-	14,495	10,820	-	10,820
Raffles gate 2 comprehensive office building project	8,163	-	8,163	8,163	-	8,163
XHCIMCS production line and power facilities renovation	5,807	-	5,807	8,114	-	8,114
Jiangsu Trailer Leasing transportation equipment renovation project	32,905	-	32,905	8,059	-	8,059
Modern logistic Zhenhua project	14,701	-	14,701	6,662	-	6,662
CIMCSV painting line upgrade	253	-	253	3,981	-	3,981
QDCRC Plant renovation project	3,577	-	3,577	2,794	-	2,794
Jiangmen Vehicle plant renovation project	1,177	-	1,177	939	-	939
Dongguan CIMC vehicles logistics equipment project	876	-	876	876	-	876
Reefer Trailer Polar bear project	145,816	-	145,816	-	-	-
Yangshan Logistics Longteng Plan Final Assembly Model Project	28,931	-	28,931	-	-	-
Chuzhou New Material Plant Land Project	31,260	-	31,260	-	-	-
Tiezhongbao new plant preparation project	20,390	-	20,390	-	-	-
CIMC Lingyu Production Line Upgrade Project	5,778	-	5,778	-	-	-
Vanguard -Trenton & Monon GA Plant	6,564	-	6,564	-	-	-
Ningbo CIMC Land Project	1,719	-	1,719	-	-	-
Others	535,767	(305)	535,462	400,481	(860)	399,621
	11,958,753	(2,125,424)	9,833,329	12,075,776	(2,248,213)	9,827,563

As at 31 December 2020, the carrying amounts of construction in progress at the end of the year included accumulated capitalised borrowing cost of RMB1,970,096,000 (31 December 2019: RMB1,882,956,000). The interest rate adopted for determining capitalised at borrowing cost for the current year was 3.29% (2019: 4.59%).

As at 31 December 2020 and 31 December 2019, there was no restricted construction in progress of the Group.

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20. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the year

	Budget amount	31 December 2019	Current year additions	Transferred to fixed assets	Transferred to intangible assets	Other reduction	Currency translation differences	December 2020	Proportion of investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: current year capitalised interest	Interest Capitalisation rate (%)	Source of funds
Medium deep and ultra deep water drilling platform project	7,881,201	7,828,487	68,914	-	-	-	(503,257)	7,394,144	98.97%	98.97%	1,633,432	44,338	2.91%	Self-funding & bank loan
Raffles H273 and H1293 project	2,326,792	2,384,497	47,909	-	-	-	(154,427)	2,277,979	99.78%	99.78%	314,598	46,909	3.28%	Self-funding & bank loan
Enric Low temperature plant renovation project	621,592	414,605	206,986	(264,899)	(16,371)	(502)	-	339,819	97.71%	97.71%	3,387	2,412	4.75%	Self-funding & bank loan
YZTH factory relocation project	916,080	232,528	225,987	(9,094)	-	-	-	449,421	49.06%	49.06%	-	-	-	Self-funding
Dongguan southern CIMC Fenggang phase 2 project	454,445	152,301	224,445	(96,078)	-	-	-	280,668	61.76%	61.76%	-	-	-	Self-funding
Financial information system construction project	210,419	120,899	-	-	(104,189)	-	-	16,710	57.00%	57.00%	-	-	-	Self-funding
CIMC Chancheng Shenzhen Bright CIMC Zhiyuan Self-sustaining Industrial Park	1,178,550	88,965	167,216	-	-	(256,181)	-	-	21.74%	21.74%	18,679	16,216	4.90%	Self-funding & bank loan
Raffles shore crane project	93,579	81,327	-	-	-	-	-	81,327	86.91%	86.91%	-	-	-	Bank loan
Financial leasing Maersk 2300TEU container ship project	82,800	62,351	5,843	-	-	-	(4,348)	63,846	77.11%	77.11%	-	-	-	Self-funding
TAS Industrial Park Phase III Dormitory project	150,000	58,106	2,212	(2,297)	-	-	-	58,021	38.68%	38.68%	-	-	-	Self-funding
CIMCDV dormitory and office building project	112,386	43,818	32,227	(71,184)	-	(4,861)	-	-	67.66%	67.66%	-	-	-	Self-funding
Humadian CIMC Hua jun Lighthouse project	125,035	26,337	2,290	(5,806)	-	(737)	-	22,084	17.66%	17.66%	-	-	-	Self-funding
WHVS painting line upgrade project	98,427	22,284	24,638	(24,371)	-	-	-	22,551	22.91%	22.91%	-	-	-	Self-funding
Raffles CR600 platform adaptive transformation	23,611	18,567	5,044	-	-	-	(1,479)	22,132	93.74%	93.74%	-	-	-	Self-funding
Dongguan Multimodal Transport building project	23,000	18,483	-	-	-	-	-	18,483	80.36%	80.36%	-	-	-	Bank loan
TCCRC workshop renovation project	37,485	16,719	10,468	(19,008)	-	(174)	-	8,005	21.35%	21.35%	-	-	-	Self-funding
TCCIMC relocation and reconstruction project	159,132	16,719	16,019	(17,754)	-	-	-	14,984	20.57%	20.57%	-	-	-	Self-funding
Zhumadian CIMC Hua jun production maintenance investment	28,791	16,609	9,609	(19,954)	-	(189)	-	6,075	21.10%	21.10%	-	-	-	Self-funding
Enric workshop construction project	25,419	13,928	10,397	-	-	-	-	24,325	91.01%	91.01%	-	-	-	Self-funding

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20. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the year (Continued)

	Budget amount	31 December 2019	Current year additions	Transferred to fixed assets	Transferred to intangible assets	Other reduction	Currency translation differences	December 2020	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: current year capitalised interest	Interest Capitalisation rate (%)	Source of funds
CIMCNB water-based paint coating line reconstruction and waste treatment project	37,982	10,820	22,224	(18,549)	-	-	-	14,495	38.16%	38.16%	-	-	-	Self-funding
Ningbo CIMC Land Project	96,029	1,505	94,309	-	(94,095)	-	-	1,719	98.21%	98.21%	-	-	-	Self-funding
Raffles gate 2 comprehensive office building project	1,395,673	8,163	-	-	-	-	-	8,163	0.58%	0.58%	-	-	-	Self-funding
XHCIMCS production line and power facilities renovation	33,559	8,114	18,559	(20,866)	-	-	-	5,807	17.30%	17.30%	-	-	-	Self-funding
Jiangsu Trailer Leasing transportation equipment renovation project	178,301	8,059	118,481	(90,657)	-	(2,978)	-	32,905	18.45%	18.45%	-	-	-	Self-funding
Modern logistic Zhenhua project	15,702	6,662	13,406	(5,299)	-	(68)	-	14,701	93.63%	93.63%	-	-	-	Self-funding
CIMCSV painting line upgrade	12,175	3,981	3,732	(6,239)	-	(1,221)	-	253	2.09%	2.09%	-	-	-	Self-funding
QDCRC Plant renovation project	18,094	2,794	15,300	(14,517)	-	-	-	3,577	19.77%	19.77%	-	-	-	Self-funding
Jiangmen Vehicle plant renovation project	22,708	939	767	(190)	-	(339)	-	1,177	11.93%	11.93%	-	-	-	Self-funding
Dongguan CIMC vehicles logistics equipment project	1,250	876	-	-	-	-	-	876	70.08%	70.08%	-	-	-	Self-funding
Reefer Trailer Polar bear project	156,598	3,275	142,541	-	-	-	-	145,816	93.12%	93.12%	-	-	-	Self-funding
Yangshan Logistics Longteng Plan Final Assembly Model Project	30,000	12,236	16,695	-	-	-	-	28,931	96.44%	96.44%	-	-	-	Self-funding
Chuzhou New Material Plant Land Project	31,260	-	31,260	-	-	-	-	31,260	100.00%	100.00%	-	-	-	Self-funding
Tiezhongbao new plant preparation project	68,000	17,204	3,186	-	-	-	-	20,390	29.99%	29.99%	-	-	-	Self-funding
CIMC Lingyu Production Line Upgrade Project	70,107	1,900	58,141	(54,077)	-	(186)	-	5,778	85.64%	85.64%	-	-	-	Self-funding
Vanguard -Trenton & Monon GA Plant	94,068	32,752	8,062	(33,527)	-	-	(723)	6,564	43.39%	43.39%	-	-	-	Self-funding
Others	-	338,966	540,605	(325,912)	(16,038)	-	(1,854)	535,767	-	-	-	-	-	Self-funding
		12,075,776	2,147,472	(1,100,278)	(230,693)	(267,436)	(666,088)	11,958,753			1,970,096	109,875		

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Construction in progress (Continued)

(3) Impairment provisions of construction in progress

	Impairment provisions of construction in progress				31 December 2020	Reason for provision
	31 December 2019	Current year additions	Current year decrease	Currency translation differences		
Medium deep and ultra deep water drilling platform project	1,520,502	63,525	–	(133,645)	1,450,382	The estimated recoverable amount of water drill platform has decreased
Raffles H273 and H1293 Project	726,851	–	–	(52,114)	674,737	–
Others	860	–	(555)	–	305	Jack-up drilling platform has been transferred to fix asset
	2,248,213	63,525	(555)	(185,759)	2,125,424	

As at 31 December 2020, a provision of RMB63,525,000 has been recognized (31 December 2019: RMB1,496,182,000) and a provision of RMB555,000 has been transferred to fix assets (31 December 2019: RMB309,949,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Intangible assets and development expenditures

(1) Intangible assets

	Land use rights	Technical know-how and trade marks	Timber concession rights	Customer relationships	Customer contracts	Maritime space use rights	Franchise rights	Total
Original cost								
31 December 2019	4,582,527	2,575,061	145,911	471,352	340,275	113,401	103,071	8,331,598
Business combination	13,778	63	-	-	-	-	-	13,841
Additions	170,241	228,449	-	-	-	-	-	398,690
Disposals (Note V.2)	(306,674)	(5,319)	-	-	-	-	-	(311,993)
Divided as held for sale	(12,628)	-	-	-	-	-	-	(12,628)
Transferred to investment properties	(13,078)	-	-	-	-	-	-	(13,078)
Others	(46,639)	(54,533)	-	-	-	-	(848)	(102,020)
Currency translation differences	(6,758)	(3,149)	(8,808)	(2,728)	(386)	(1,980)	12	(23,797)
31 December 2020	4,380,769	2,740,572	137,103	468,624	339,889	111,421	102,235	8,280,613
Accumulated amortization								
31 December 2019	863,073	1,455,460	34,815	312,479	250,174	35,126	14,581	2,965,708
Additions	109,422	205,627	-	40,234	15,795	1,910	2,702	375,690
Disposals (Note V.2)	(26,634)	(1,286)	-	-	-	-	-	(27,920)
Divided as held for sale	(4,163)	-	-	-	-	-	-	(4,163)
Transferred to investment properties	(1,815)	-	-	-	-	-	-	(1,815)
Others	(6,503)	(24,841)	-	-	-	-	(848)	(32,192)
Currency translation differences	(6,544)	(2,198)	(2,085)	(1,243)	(386)	(1,590)	12	(14,034)
31 December 2020	926,836	1,632,762	32,730	351,470	265,583	35,446	16,447	3,261,274
Impairment provisions								
31 December 2019	-	8,360	111,096	36,619	52,264	-	-	208,339
Additions	-	8,000	-	-	-	-	-	8,000
Disposals	-	(1,958)	-	-	-	-	-	(1,958)
Currency translation differences	-	(314)	(6,723)	(183)	-	-	-	(7,220)
31 December 2020	-	14,088	104,373	36,436	52,264	-	-	207,161
Carrying amount								
31 December 2020	3,453,933	1,093,722	-	80,718	22,042	75,975	85,788	4,812,178
31 December 2019	3,719,454	1,111,241	-	122,254	37,837	78,275	88,490	5,157,551

In 2020, amortization expenses of intangible assets amounted to RMB375,690,000 (2019: RMB327,317,000)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Intangible assets and development expenditures (Continued)

(2) As at 31 December 2020, intangible assets with pending certificates of ownership are as follows:

	Carrying amount	
	in RMB	Reasons for unsettlement
SCIMCEL Tangkeng land use right	52,410	in progress
Kunming Vehicle Park land use right	39,624	in progress
Trailer Leasing Logistics Technology land use right	39,510	in progress
	131,544	

After the evaluation of board of directors of the Group, the aforementioned intangible assets with unsettled certificates has no risk of impairment.

(3) As at 31 December 2020, the restricted intangible assets of the Group amounted to RMB5,474,000 (31 December 2019: Nil), referring to Note IV.28.

(4) As at 31 December 2020, the intangible asset with indefinite useful lives was Gas station Franchise and a trademark right, which amounted to RMB120,030,000 (31 December 2019: RMB118,738,000).

(5) Development expenditures are as follows:

	31 December 2019	Current year additions	Recognized as intangible assets	Disposals (Note V.2)	31 December 2020
Project on vehicle technology	73,615	28,086	(52,490)	–	49,211
Others	20,463	4,601	(1,743)	(11,767)	11,554
	94,078	32,687	(54,233)	(11,767)	60,765

In 2020, the Group's development expenditures amounted to RMB1,641,391,000 (2019: RMB1,486,985,000), among which RMB1,608,704,000 (2019: RMB1,437,046,000) was included in the current profits and losses, and RMB32,687,000 was capitalised as intangible assets in current year (2019: RMB49,939,000). As at 31 December 2020, intangible assets transferred from development expenditures within the Group accounted for 1.13% (2019: 1.06%) of the total book value of intangible assets.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Right-of-use assets

	Plants and buildings	Lands	Offshore engineering equipment	Machinery and equipment	Motor vehicles	Office & other equipment	Total
Original cost							
31 December 2019	542,826	317,254	85,030	202,365	11,274	47,329	1,206,078
Additions from lease contract (i)	1,332,762	93,274	-	63,853	567	39,519	1,529,975
Decrease in current year	(33,230)	(9,910)	-	(187,865)	(8,618)	(37,189)	(276,812)
Disposal of subsidiaries (Note V.2) (i)	(1,324,866)	-	-	-	-	-	(1,324,866)
Currency translation differences	(3,550)	(1,797)	(5,501)	(170)	(3)	(8)	(11,029)
31 December 2020	513,942	398,821	79,529	78,183	3,220	49,651	1,123,346
Accumulated depreciation							
31 December 2019	94,412	39,539	3,317	90,610	680	6,309	234,867
Depreciation recognized in current year	167,223	53,886	8,132	34,383	985	4,970	269,579
Decrease in current year	(19,268)	(6,978)	-	(95,831)	(128)	(439)	(122,644)
Disposal of subsidiaries (Note V.2)	(42,168)	-	-	-	-	-	(42,168)
Currency translation differences	(1,214)	589	(654)	(53)	(2)	2	(1,332)
31 December 2020	198,985	87,036	10,795	29,109	1,535	10,842	338,302
Net book value							
31 December 2020	314,957	311,785	68,734	49,074	1,685	38,809	785,044
31 December 2019	448,414	277,715	81,713	111,755	10,594	41,020	971,211

- (i) The additions from lease contract this year is mainly the house lease contract signed between CIMC Chancheng and Fude Life Insurance Co., Ltd. The subject of the lease is located in Songshan Lake, Dongguan City, the contractual lease term is 20 years, and the right-of-use asset is RMB1,077,336,000. As CIMC Chancheng is no longer included in the scope of the Group's consolidation, the above matters have decreased this year.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Goodwill

	31 December 2019	Current year additions	Current year decrease	Currency translation differences	31 December 2020
Enric	635,513	–	–	–	635,513
Vehicles UK	353,056	–	–	(8,379)	344,677
TGE SA	170,038	–	–	4,379	174,417
Modern Logistic	135,309	–	–	–	135,309
C&C Trucks	132,145	–	–	–	132,145
Bassoe	134,420	–	–	(8,614)	125,806
Shenyang Jietong	116,726	–	–	–	116,726
Pteris	108,196	–	–	–	108,196
Hashenleng	103,530	–	(2,087)	–	101,443
Shanghai Jindun	102,998	–	–	–	102,998
CIMC Liangcai	–	52,380	–	–	52,380
Others	619,936	29,074	(4,175)	4,439	649,274
Sub-total	2,611,867	81,454	(6,262)	(8,175)	2,678,884
Less: impairment provisions					
Bassoe	134,420	–	–	(8,614)	125,806
C&C Trucks	132,145	–	–	–	132,145
Hashenleng	68,000	35,530	(2,087)	–	101,443
TGE SA	25,343	25,000	–	–	50,343
Modern Logistic	4,392	–	–	–	4,392
Others	65,241	23,124	–	(1,036)	87,329
Sub-total	429,541	83,654	(2,087)	(9,650)	501,458
Net value	2,182,326				2,177,426

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23. Goodwill (Continued)

(1) Impairment test of goodwill allocated to asset groups

All goodwill belongs to the group has been allocated to relevant asset groups or combination of asset groups on the purchase date. There is no change in the allocation of goodwill in year 2020. According to the Segment Reporting(Note XV), the allocation is summarized as follows:

	31 December 2020	31 December 2019
Containers manufacturing asset group	128,836	128,836
Road transportation vehicles asset group	422,276	428,389
Energy, chemical and liquid food equipment asset group	953,040	988,822
Logistics services asset group	130,917	130,917
Heavy truck asset group	4,575	4,575
Airport, fire and automated logistics equipment asset group	379,974	393,651
Unit load asset group	52,380	-
Asset groups with insignificant allocation percentage of goodwill group	105,428	107,136
	2,177,426	2,182,326

When doing goodwill impairment test, the Group compares the carrying amount of the relevant asset or asset group combination (including goodwill) with its recoverable amount. If the recoverable amount was less than the carrying amount, the related difference was recognized in the current profit or loss (Note IV.63).

The Group determines the growth rate and gross profit rate according to the historical experience and the forecast of market development. The growth rate in the forecast period is based on the three to five-year budget approved by the management. The growth rate in the stable period is the one that adopted after the forecast period, which is consistent with the forecast data in the industry report and does not exceed the long-term average growth rate of each product. The group adopts the pre-tax interest rate as the discount rate, which can reflect the specific risk of the relevant asset group and asset group portfolio.

The key assumption used in the significant cash generated units value-in-use calculations in year 2020 are as follows:

	Vehicles UK	TGE SA	Pteris	Hashenleng
Forecast period revenue growth rate	7%-28%	12.5%~35%	16%-50%	1%
Stable period revenue growth rate	2%	2%	3.07%	3%
Gross profit rate	8%	10%~12%	18%	27%
Pre-tax discount rate	12.0%	13.0%	7.91%	15.0%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Goodwill (Continued)

(1) Impairment test of goodwill allocated to asset groups (Continued)

The key assumption used in the significant cash generated units value-in-use calculations in year 2019 are as follows:

	Vehicles UK	TGE SA	Pteris	Hashenleng
Forecast period revenue growth rate	(12%)-7%	5%-10%	18%	7%
Stable period revenue growth rate	2%	2%	3.07%	3%
Gross profit rate	8%-9%	18%	18%-19%	31%
Pre-tax discount rate	13%	12.5%	11.47%	13.9%

As at 31 December 2020, Enric, a subsidiary of the group, is a listed company on the stock exchange of Hong Kong. According to the number of Enric shares held by the group and its market price as of 31 December 2020, the fair value of Enric is higher than the net asset value after calculation, and there is no need to calculate the impairment (31 December 2019: no need to calculate the impairment).

24. Long-term prepaid expenses

	31 December 2019	Current year additions	Current year amortization	Disposals (Note V.2)	Currency translation differences	31 December 2020
Yard facility expenses	8,547	5,889	(9,589)	-	(218)	4,629
Project insurance and commission	76,308	495	(59,936)	-	(17)	16,850
Drilling platform mobilization fee (i)	467,768	-	(79,525)	-	(24,091)	364,152
Improvements to Right-of- use asset	49,472	11,610	(10,164)	(9,400)	-	41,518
Improvement of engineering vessel	87,345	32,766	(23,343)	-	(2,805)	93,963
Others	63,714	73,486	(68,522)	(29,080)	(2,328)	37,270
Sub-total	753,154	124,246	(251,079)	(38,480)	(29,459)	558,382
Less: impairment provisions	-	-	-	-	-	-
	753,154	124,246	(251,079)	(38,480)	(29,459)	558,382

- (i) Drilling platform mobilization fee refers to the crew's labor costs and platform operating expenses incurred before the platform arrive in the specific sea area as agreed in the contract.

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25. Deferred tax assets and deferred tax liabilities

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	31 December 2020		31 December 2019	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for asset impairment	1,782,521	414,661	2,262,693	489,998
Accrued liability	799,129	162,998	912,983	195,506
Employee benefits payable	2,049,481	425,257	2,146,759	535,272
Accrued expenses	743,748	150,614	1,314,284	336,691
Deductible losses	3,496,463	867,074	3,222,265	648,908
Fair value changes of derivative financial instruments	346	52	4,336	1,084
Right-of-use assets	3,749	660	3,572	893
Intra-group unrealised revenue	17,367	2,784	28,047	7,012
Others	754,040	91,625	157,650	47,689
Sub-total	9,646,844	2,115,725	10,052,589	2,263,053
Including:				
Amount expected to be reversed within 1 year (inclusive)		425,309		536,356
Amount expected to be reversed over 1 year		1,690,416		1,726,697
		2,115,725		2,263,053

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25. Deferred tax assets and deferred tax liabilities (Continued)

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences (Continued)

	31 December 2020		31 December 2019	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax liabilities:				
Fair value changes of derivative financial instruments	(551,003)	(121,544)	(91,868)	(22,967)
Fair value changes of Investment properties	(595,198)	(144,930)	(1,298,802)	(274,700)
Revaluation gain through combination	(781,184)	(148,222)	(1,030,897)	(238,703)
Debt restructuring income	(454,948)	(113,737)	(1,364,848)	(341,212)
Gross profit of overseas projects (pay tax after completion)	(614,182)	(202,680)	(609,947)	(152,487)
Accelerated depreciation of long-term assets	(1,105,767)	(264,473)	(758,852)	(185,283)
Non-resident foreign companies pay dividends to the Mainland	(199,037)	(49,759)	–	–
Enterprise relocation income	(12,761,554)	(3,190,389)	(12,761,554)	(3,190,389)
Taxable property sales	–	–	(1,140,096)	(260,547)
Interest capitalised	–	–	(214,060)	(53,515)
Others	(312,287)	(87,964)	(235,544)	(73,050)
Sub-total	(17,375,160)	(4,323,698)	(19,506,468)	(4,792,853)
Including:				
Amount expected to be reversed within 1 year (inclusive)		(266,474)		(297,667)
Amount expected to be reversed over 1 year		(4,057,224)		(4,495,186)
		(4,323,698)		(4,792,853)

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25. Deferred tax assets and deferred tax liabilities (Continued)

(2) Unrecognized deferred tax assets

	31 December 2020	31 December 2019
Deductible losses	2,742,468	2,102,940
Impairment losses of timber concession rights	24,705	24,705
Others	221,270	146,431
	2,988,443	2,274,076

(3) Maturity of deductible losses that are not recognized as deferred tax assets

	31 December 2020	31 December 2019	Note
2020	–	414,753	
2021	310,266	337,526	
2022	135,683	155,058	
2023	175,592	177,203	note 1
2024	185,113	185,113	
After 2024	11,452,504	8,314,327	
	12,259,158	9,583,980	

Note 1: As at 31 December 2019 and 2020, unrecognized deferred tax assets aged over 5 years (inclusive) arising from deductible tax losses resulted from foreign subsidiaries' operating losses. Deductible tax losses generated from Hong Kong, the United States of America, the United Kingdom of Great Britain, Germany and Belgium can be offset with future profit indefinitely; deductible tax losses generated from the Netherlands can be offset in the subsequent six years.

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25. Deferred tax assets and deferred tax liabilities (Continued)

(4) The offsetting balances of deferred tax assets and deferred tax liabilities are as below:

	31 December 2020		31 December 2019	
	Offsetting amount	Offsetting balances	Offsetting amount	Offsetting balances
Deferred tax assets	(441,396)	1,674,329	(462,788)	1,800,265
Deferred tax liabilities	441,396	(3,882,302)	462,788	(4,330,065)

As at 31 December 2020, the Group was subject to an income tax on the difference of tax rates if its subsidiaries in Hong Kong and overseas decide to distribute dividends to the shareholders in mainland China. The temporary difference arising from the undistributed profits of such subsidiaries was approximately RMB2,037,011,000 (31 December 2019: RMB2,886,176,000). Since the Group can control the dividend distribution policy of its subsidiaries and has decided not to distribute dividends in the foreseeable future, the deferred income tax liabilities on such undistributed profits was not recognized.

The Group had no unrecognized deferred tax liabilities other than the mentioned above.

26. Other non-current assets

	31 December 2020	31 December 2019
Prepayment for equipment	49,516	10,771
Prepayment for land use right	–	51
Prepayment for construction	9,140	21,694
Others	10,322	26,412
	68,978	58,928

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Provision for asset impairment and losses

	31 December 2019	Changes in accounting policies	1 January 2020	Current year additions	Current year decrease Reversal	Write-off	Current year transfer in/ out	Currency translation differences	31 December 2020
Provision for bad debts of notes receivables	1,492	-	1,492	7,936	(478)	-	-	(57)	8,893
Provision for bad debts of accounts receivable financing	-	-	-	2,576	-	-	-	-	2,576
Provision for bad debts of accounts receivables	1,135,068	-	1,135,068	393,756	(148,313)	(162,097)	-	(9,459)	1,208,955
Provision for bad debts of other receivables	241,387	-	241,387	19,927	(28,046)	(40,515)	-	2,865	195,618
Non-current assets due within one year	838,396	-	838,396	82,178	(10,551)	(17,871)	-	(3,917)	888,235
Impairment provisions of long-term receivables	384,760	-	384,760	72,920	(3,784)	(2,298)	-	(226)	451,372
Impairment provisions of contract assets	5,169	(5,169)	-	-	-	-	-	-	-
Sub- total	2,606,272	(5,169)	2,601,103	579,293	(191,172)	(222,781)	-	(10,794)	2,755,649
Provision for bad debts of advances to suppliers	37,114	-	37,114	4,313	(262)	(681)	-	-	40,484
Provision for impairment of inventories and impairment of costs incurred to fulfil a contract	543,559	-	543,559	372,772	(30,504)	(129,894)	(2,007)	(12,633)	741,293
Impairment provisions of contract assets	-	5,169	5,169	29,846	(1,469)	-	-	(127)	33,419
Impairment provisions of long-term equity investments	152,508	-	152,508	2,277	-	-	-	(2,285)	152,500
Impairment provisions of fixed assets	5,164,144	-	5,164,144	50,285	-	(81,052)	-	(241,835)	4,891,542
Impairment provisions of construction in progress	2,248,213	-	2,248,213	63,525	-	(555)	-	(185,759)	2,125,424
Impairment provisions of intangible assets	208,339	-	208,339	8,000	-	(1,958)	-	(7,220)	207,161
Impairment provisions of goodwill	429,541	-	429,541	83,654	-	(2,087)	-	(9,650)	501,458
Sub- total	8,783,418	5,169	8,788,587	614,672	(32,235)	(216,227)	(2,007)	(459,509)	8,693,281
Total	11,389,690	-	11,389,690	1,193,965	(223,407)	(439,008)	(2,007)	(470,303)	11,448,930

Please refer to the respective notes of the assets for reasons of the provision.

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28. Restricted assets

As at 31 December 2020, assets with restrictions in their ownership are as follows:

	Note	31 December 2019	Current year additions	Current year decrease	31 December 2020
- Cash at bank and on hand	IV.1	1,708,360	383,392	(720,577)	1,371,175
- Notes receivables	IV.4	33,924	22,176	(33,774)	22,326
- Receivables financing	IV.6	715,605	265,284	(715,605)	265,284
- Long-term receivables	IV.16	8,027,760	-	(301,276)	7,726,484
- Inventories	IV.9	8,018,099	-	(8,018,099)	-
- Fixed assets	IV.19	40,237	34,887	-	75,124
- Intangible assets	IV.21	-	5,474	-	5,474
		18,543,985	711,213	(9,789,331)	9,465,867

Among them, the restricted monetary funds are the deposit and the money deposited with the People's Bank of China by the subsidiary financial company. The notes receivable are used for pledge of letter of guarantee and notes pool pledge. The receivable financing is an endorsed bank acceptance bill that is not yet due and with recourse. Long-term receivables are used for mortgage loans. Restricted fixed assets are collateral for long-term payables and real estate with restricted sales as agreed in the contract. Restricted intangible assets are collateral for bank loans.

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29. Short-term borrowings

	Note	31 December 2020	31 December 2019
Guaranteed	(a)		
USD		2,973,853	1,175,804
RMB		494,683	1,060,000
EUR		831,237	776,046
Sub-total		4,299,773	3,011,850
Pledged	(b)		
RMB		49,710	27,370
Mortgaged	(c)		
RMB		1,500	-
Unsecured			
USD		211,379	5,519,344
EUR		76,814	125,003
GBP		365,475	328,474
RMB		3,243,431	8,317,226
AUD		326	14,607
HKD		134,662	170,066
Others		22,652	-
Sub-total		4,054,739	14,474,720
Rediscounted notes			
RMB		10,979	26,795
Discounted notes			
RMB		-	16,462
Total		8,416,701	17,557,197

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Short-term borrowings (Continued)

- (a) As at 31 December 2020, guaranteed borrowings of the Group consisted of the followings: subsidiary Fortune had a loan of EUR24,500,000 (equivalent to RMB196,559,000) and USD435,822,000 (equivalent to RMB2,842,939,000) guaranteed by subsidiary CIMC Hong Kong; subsidiary Ziegler had a loan of EUR77,272,000 (equivalent to RMB620,160,000) guaranteed by subsidiary CIMC Hong Kong; subsidiary CIMC Air Marrel had a loan of EUR1,809,000 (equivalent to RMB14,518,000) guaranteed by French Government; subsidiary Intermodal Equipment had a loan of USD5,000,000 (equivalent to RMB32,625,000) guaranteed by subsidiaries CIMC Vehicle Investment Holdings Co., Ltd. and CIMC USA, INC.; subsidiary VANGUARD had a loan of USD15,064,000 (equivalent to RMB98,289,000) guaranteed by subsidiaries CIMC Vehicle Investment Holdings Co., Ltd. and CIMC USA, INC.; subsidiary Zhumadian CIMC Huajun Casting Co., Ltd. ("**Huajun Casting**") had a loan of RMB119,600,000 guaranteed by subsidiary CIMC Vehicles; subsidiary Qingdao CIMC Environmental Protection Equipment Co., Ltd. had a loan of RMB811,000 guaranteed by subsidiary CIMC Vehicles; subsidiary LSDYV had a loan of RMB13,000,000 guaranteed by subsidiary CIMC Vehicles; subsidiary C&C Trucks Marketing had a loan of RMB70,090,000 guaranteed by the Company; subsidiary C&C Trucks had a loan of RMB138,182,000 guaranteed by the Company; subsidiary CIMC Financing and Leasing had a loan of RMB3,000,000 guaranteed by the Company; subsidiary Yantai Raffles had a loan of RMB150,000,000 guaranteed by subsidiary Offshore (Singapore) (As at 31 December 2019, guaranteed borrowings of the Group consisted of the followings: subsidiaries Fortune, Ziegler, C&C Trucks, C&C Trucks Marketing, CIMC Financing and Leasing, Yantai Raffles, Huajun Casting, LSDYV, CIMC Tech had guaranteed loans of RMB3,011,850,000 in total).
- (b) As at 31 December 2020, the pledged loans of the Group was the loans of Yantai Raffles pledged with trade acceptance bill from Bank of Kunlun, amounting to RMB49,710,000 (As at 31 December 2019, the pledged loans of the Group was the loans of Yantai Raffles pledged with trade acceptance bill from Bank of Kunlun, amounting to RMB27,370,000).
- (c) As at 31 December 2020, the mortgaged loan of the Group was the loans of Modern logistic obtained a mortgage loan of RMB1,500,000 from Bank of China with real estate as collateral (As at 31 December 2019, the Group had no short-term mortgage loans).
- (d) As at 31 December 2020, the interest rate of short term borrowing ranged from 1.11% to 4.90% (31 December 2019: 1.40% to 6.31%).
- (e) As at 31 December 2020, there was no short-term borrowings owed to shareholders holding more than 5% (inclusive) of the voting rights of the Company or related parties.

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30. Notes payables

	31 December 2020	31 December 2019
Bank acceptance notes	3,365,988	2,356,667
Trade acceptance notes	463,522	224,472
	3,829,510	2,581,139

The above notes payables are due within one year.

31. Accounts payables

	31 December 2020	31 December 2019
Due to raw materials supplies	10,897,931	9,827,823
Project contract charges	497,090	1,197,805
Integrated logistics service charges	1,080,937	759,352
Equipment procurement charges	419,613	593,824
Project procurement charges	32,956	136,533
Processing charges	171,207	67,990
Transportation charges	123,504	58,157
Others	223,836	103,780
	13,447,074	12,745,264

(1) The aging of accounts payables according to the date of its entry is as follows:

	31 December 2020	31 December 2019
Within 1 year (inclusive)	12,729,871	11,802,112
1 to 2 years (inclusive)	346,808	510,225
2 to 3 years (inclusive)	170,375	200,371
Over 3 years	200,020	232,556
	13,447,074	12,745,264

As at 31 December 2020, accounts payables over 1 year with a carrying amount of RMB717,203,000 (31 December 2019: RMB943,152,000) were mainly payables related to offshore engineering business, energy and chemical business. Since the production cycle of the offshore business engineering project, energy and chemical business was usually more than one year, the payables have not yet been settled.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Accounts payables (Continued)

(2) As at 31 December 2020, there was no accounts payables owed to shareholders holding more than 5% (inclusive) of the voting rights of the Company. Accounts payables owed to related parties are as follows:

Company name	Relationship with the Group	31 December 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
Y&C Engine	Joint venture	103,944	0.77%	266,111	2.09%
Jiangsu Wanjing	Joint venture	37,349	0.28%	16,220	0.13%
Japan Asahi Trading Co.,LTD. ("Japan Asahi Trading")	Minority shareholders of subsidiaries	24,512	0.18%	-	0.00%
Nantong CIMC Yike New Material Development Co., Ltd.	Associates	18,639	0.14%	-	0.00%
Qingchen Bamboo industry	Associates	12,296	0.09%	6,200	0.05%
Nantong Xinyang	Associates	4,448	0.03%	562	0.00%
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	Associates	3,744	0.03%	-	0.00%
CMIC Ocean	Associates	3,032	0.02%	-	0.00%
Ningbo Mediterranean	Associates	2,903	0.02%	5,537	0.04%
Xuzhou CIMC Wood	Associates	1,522	0.01%	-	0.00%
Florens Asset Management (USA) Limited ("Florens Asset")	Subsidiaries of former significant shareholders	999	0.01%	3,170	0.02%
Qingdao Ganglianhua	Associates	520	0.00%	1,392	0.01%
Ningguo Guangshen	An associate from the beginning of the Reporting Period to August 2020	126	-	9,907	0.08%
Shen Xing Tai Bao (i)	Joint venture	-	-	719	0.01%
Zhejiang Xinlong	Associates	-	-	2,392	0.02%
Guangdong Excellent Landscape Design Co., Ltd	Minority shareholders of former subsidiaries	-	-	1,976	0.02%
CIMC Chancheng and its subsidiaries	Associates	129,111	0.96%	-	-
Others		612	0.00%	3,351	0.02%
		343,757	2.56%	317,537	2.49%

(i) This year the company has been transformed into a subsidiary of the group.

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32. Advances from customers

	31 December 2020	31 December 2019
Rental advances	4,070	40,683

As at 31 December 2020, there is no advances from customers with an age of more than one year in the Group (31 December 2019: RMB37,218,000).

As at 31 December 2020, there was no advances from customers owed to shareholders holding more than 5% (inclusive) of the voting rights or related parties.

33. Contract liabilities

	31 December 2020	31 December 2019
Advances for goods	4,660,046	4,411,511
Advances for construction	1,343,185	1,881,413
Advances for trade and logistics	96,493	67,579
Advances for property	2,041	2,640,318
	6,101,765	9,000,821

In 2020, the contract liabilities amounting to RMB4,268,888,000 (2019: RMB3,135,684,000) which were included in the carrying amount as at 31 December 2019 were transferred to revenue from main operations.

As at 31 December 2020, there was no contract liabilities owed to shareholders holding more than 5% (inclusive) of the voting rights of Company. Contract liabilities owed to related parties are as follows:

Company name	Relationship with the Group	31 December 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
Zhoushan Changhong	Joint venture	26,674	0.44%	47,192	0.52%
LiHua Energy	Joint venture	159	0.00%	-	-
Others	-	-	-	389	0.00%
		26,833	0.44%	47,581	0.53%

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34. Employee benefits payable

	Note	31 December 2020	31 December 2019
Short-term wages	(1)	3,327,366	3,417,304
Defined contribution plans	(2)	33,139	22,903
Dismissal welfare	(3)	5,887	1,348
		3,366,392	3,441,555

(1) Short-term wages

	31 December 2019	Current year additions	Current year decrease	Currency translation differences	31 December 2020
Wages and salaries, bonuses, allowances and subsidies (i)	2,930,448	7,118,509	(7,139,385)	(4,484)	2,905,088
Profit-sharing and senior management bonus (ii)	342,520	91,589	(206,800)	–	227,309
Housing funds	24,005	254,532	(273,027)	(150)	5,360
Labor union funds and employee education funds	67,221	87,437	(53,473)	(1,710)	99,475
Social security contributions and others	10,809	233,537	(224,302)	(554)	19,490
Including: Medical insurance	6,556	221,944	(210,922)	(554)	17,024
Work injury insurance	1,822	4,541	(4,901)	–	1,462
Maternity insurance	2,431	7,052	(8,479)	–	1,004
Other short-term wages	42,301	823,310	(792,557)	(2,410)	70,644
	3,417,304	8,608,914	(8,689,544)	(9,308)	3,327,366

(i) Except the salary accrued in the current month and paid in the next month, the rest of the salary, bonus, allowance and subsidy are mainly the Group assessment bonus accrued according to the annual performance assessment scheme and results of the Group but not yet paid.

(ii) Profit-sharing and senior management bonus is determined on the assessment of certain key performance index. The above bonus is proposed by Chief Executive Officer of the Group and the payment is subject to review and approval by board chairman and vice board chairman of the Group. The balance was the unpaid Profit-sharing and senior management bonus accrued in prior years.

On 1 June 2020, the general meeting of shareholders of the company for 2019 reviewed and approved "Proposal on the operation of the bonus balance funds of the profit sharing plan". After setting up a trust plan with the bonus balance of the profit sharing plan and injecting capital into the partnership, the partnership will use it to purchase the company's H shares in the secondary market. The fund size of the trust plan (Phase 1) is RMB200 million, with a duration of 5 years.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34. Employee benefits payable (Continued)

(2) Defined contribution plans

	31 December 2019	Current year additions	Current year decrease	Currency translation differences	31 December 2020
Basic pensions	18,977	184,813	(172,867)	173	31,096
Unemployment insurance	2,532	4,106	(4,907)	68	1,799
Enterprise annuities (i)	1,394	9,909	(11,030)	(29)	244
	22,903	198,828	(188,804)	212	33,139

- (i) Enterprise annuity plan is established to safeguard the employee's standard of living after retirement. Every year, companies pay 3% of the total annual wages, and individuals pay 1% of the base. Employees who meet the conditions can choose to draw 0% to 100% of the annuities all at once or in installments based on their length of service. Besides, the fund is managed by hand, when a loss is reported or under special conditions, the payment can be suspended. There is no need to make a supplementary payment.

(3) Dismissal welfare

	31 December 2020	31 December 2019
Others (i)	5,887	1,348

- (i) As at 31 December 2020, the Group provide other compensation amounting to RMB5,887,000 to compensate for the termination of employment relationship.

35. Taxes payable

	31 December 2020	31 December 2019
Value-added-tax payable	384,864	305,371
Corporate income tax payable	827,806	523,033
Withholding individual income tax	62,018	32,502
City maintenance and construction tax payable	37,292	38,944
Educational surcharge payable	26,366	29,404
Land appreciation tax	17,647	808,933
Others	127,216	113,584
	1,483,209	1,851,771

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Other payables

(1) Other payables

	Note	31 December 2020	31 December 2019
Accruals		3,041,590	2,403,464
Advance received		2,290,460	2,546,745
Quality guarantees		669,333	555,754
Equipment or land use rights		272,300	82,639
Transportation expenses		249,845	209,806
Equity incentive	IV.36(2)	139,719	–
Restricted stock repurchase		68,360	112,449
Restructuring provisions		63,076	175,807
Professional and training fees		48,716	22,053
Amount due to minority shareholders		44,458	1,700,058
Insurances		27,170	18,553
External commission		8,985	21,018
Housing maintenance fees		1,625	970
Royalties		37	24
Loan from associates		–	3,087,000
Interest Payable		5,180	240,052
Including: Interest of short-term borrowings		5,180	52,389
Interest of corporate bonds		–	108,268
Interest of long-term borrowings		–	79,395
Dividends due to minority shareholders		55,959	58,546
Others		102,783	642,279
		7,089,596	11,877,217

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36. Other payables (Continued)

- (2) The Equity incentive (note IX.2) are mainly the payables of CIMC Safe Tech, a subsidiary of the group.
- (3) As of 31 December 2020, other payables aged more than one year are mainly unsettled quality guarantee funds, deposits, etc.
- (4) As at 31 December 2020, there was no other payables owed to shareholders holding more than 5% (inclusive) of the voting rights of Company. Other payables owed to related parties and minority shareholders are as follows:

Company name	Relationship with the Group	31 December 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
LiHua Energy	Associate	33,605	0.47%	33,605	0.28%
OOS International	Associate	18,043	0.25%	19,209	0.16%
Shandong CIMC Environmental Technology Co., Ltd	Joint venture	12,355	0.17%	-	-
CIMC Chancheng and its subsidiaries	Associate	7,151	0.10%	-	-
Zhongyi Xinwei	Associate	5,240	0.07%	3,500	0.03%
Ningbo Mediterranean	Associate	4,000	0.06%	4,000	0.03%
NKY Zhenhua	Joint venture	1,516	0.02%	-	-
Y&C Engine	Joint venture	103	0.00%	7,607	0.06%
Shangtai Real Estate	Associate	-	-	1,568,000	13.20%
Shangrong Real Estate	Associate	-	-	1,519,000	12.79%
Shenzhen Weixin Software Technology Co., Ltd ("Shenzhen Weixin")	Minority shareholder of former subsidiary	-	-	1,022,260	8.61%
Country Garden Property and its subsidiaries	Minority shareholder of former subsidiary	-	-	677,798	5.71%
Shanghai Fengyang	As an associate from the beginning of the reporting period to December 2020	-	-	26,390	0.22%
SUMITOMO Japan	Minority shareholder of subsidiary	-	-	18,995	0.16%
Other related parties		746	0.01%	1,561	0.01%
		82,759	1.17%	4,901,925	41.27%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Provisions

		31 December 2019	Current year additions	Current year payment	Current year reversal	Currency translation differences	31 December 2020
Product warranties	(1)	1,018,254	534,182	(208,938)	(272,271)	(10,277)	1,060,950
Loss of pending actions		56,640	34,779	(33,462)	(723)	(8)	57,226
Relocation and liquidation compensation	(2)	240,147	102,270	(155,650)	-	54	186,821
Loss contract	(3)	75,483	-	-	(40,184)	(2,879)	32,420
Others	(4)	92,451	49,873	(11,294)	(68,290)	(7,312)	55,428
		1,482,975	721,104	(409,344)	(381,468)	(20,422)	1,392,845

- (1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for trailers, one to seven years for tank equipments, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Provisions – Warranties for product quality" represents the Group's estimated obligation for such warranties of products sold out during the year and in the previous fiscal years.
- (2) It is mainly the relocation and liquidation compensation that accrued by SCIMCEL and CIMC Burg B.V., both are subsidiaries of the Group, due to relocation and liquidation.
- (3) As the construction cost exceeds the price agreed in the contract, it is expected that a loss will be incurred for some of them. Thus, Yantai Raffles accrued the estimated provision.
- (4) CIMC Vehicles and C&C Trucks marketing, two of the subsidiaries, provides the guarantee for the banking loans by which the customers buy vehicle products from CIMC Vehicles and C&C Trucks marketing. CIMC Vehicles and C&C Trucks marketing would accrue a provision for the ending balance of the loan guarantee, considering the credit quality.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. Current portion of non-current liabilities

The Group's current portion of non-current liabilities are analysed by categories as follows:

	Note	31 December 2020	31 December 2019
Current portion of long-term borrowings	IV.40		
– Unsecured		2,055,378	2,352,784
– Mortgaged		628,848	1,809,297
– Guaranteed		9,623,878	5,144,060
– Pledged		50,000	–
		12,358,104	9,306,141
Long-term payables due within one year		16,884	31,890
Current portion of lease liabilities	IV.42	192,511	155,325
Debentures payable due within one year	IV.41	2,017,874	–
Current portion of other non-current liabilities	IV.44	–	123,059
Total		14,585,373	9,616,415

39. Other current liabilities

	31 December 2020	31 December 2019
VAT to be sold out(i)	394,912	4,106
Others	15,800	–
	410,712	4,106

(i) Other non-current liabilities are mainly the amount of value-added tax in the Group's advance payment.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Long-term borrowings

	Note	31 December 2020	31 December 2019
Bank borrowings			
– Unsecured		7,808,027	6,651,209
– Mortgaged	(i)	1,772,247	7,301,752
– Guaranteed	(ii)	22,048,327	24,129,663
– Pledged	(iii)	291,829	2,141,819
		31,920,430	40,224,443
Less: current portion of long-term borrowings			
– Unsecured		(2,055,378)	(2,352,784)
– Mortgaged	(i)	(628,848)	(1,809,297)
– Guaranteed	(ii)	(9,623,878)	(5,144,060)
– Pledged	(iii)	(50,000)	–
		(12,358,104)	(9,306,141)
		19,562,326	30,918,302

- (i) As at 31 December 2020, the Group's long-term mortgaged borrowings were comprised of the followings: Subsidiary CIMC financing and leasing borrowed USD271,613,000 (equivalent to RMB1,772,247,000) from the bank, using the contractual object of its finance lease as collateral, and an amount of USD96,377,000 (equivalent to RMB628,848,000) will expire within one year; (As at 31 December 2019, the Group's long-term mortgaged borrowings were comprised of the followings: Subsidiary CIMC financing and leasing borrowed USD532,626,000 (equivalent to RMB3,715,709,000) from the bank, using the contractual object of its finance lease as collateral, and an amount of USD259,352,000 (equivalent to RMB1,809,297,000) will expire within one year; subsidiary CIMC Chancheng used its properties under development as collateral to borrow RMB3,586,043,000 from the bank).
- (ii) As at 31 December 2020, the Group's long-term guaranteed borrowings were comprised of the followings: The guaranteed loan of subsidiary Fortune amounted to USD398,427,000 (equivalent to RMB2,599,006,000) which was guaranteed by CIMC Hong Kong, of which the guaranteed loan that expire within one year were USD120,104,000 (equivalent to RMB783,459,000); The guaranteed loan of subsidiary Fortune amounted to USD1,489,454,000 (equivalent to RMB9,715,943,000) which was guaranteed by the Company and CIMC Hong Kong, of which the guaranteed loan that expire within one year were USD2,004,000 (equivalent to RMB13,072,000); The guaranteed loan of subsidiary Fortune amounted to USD1,340,404,000 (equivalent to RMB8,743,664,000) which was guaranteed by the Company, of which the guaranteed loan that expire within one year were USD1,340,404,000 (equivalent to RMB8,743,664,000); The guaranteed loan of subsidiary CIMC Financing and Leasing guaranteed by CIMC Hong Kong amounted to USD25,028,000 (equivalent to RMB163,305,000), of which the guaranteed loan that expire within one year were USD9,300,000 (equivalent to RMB60,683,000); The guaranteed loan of subsidiary China Fire Safety guaranteed by Shenzhen CIMC – TianDa Airport Support Co., Ltd. amounted to RMB110,910,000, of which the guaranteed loan that expire within one year were RMB13,000,000; The guaranteed loan of subsidiary Enric guaranteed by the Company amounted to RMB20,000,000, of which the guaranteed loan that expire within one year were RMB10,000,000; The guaranteed loan of subsidiary C&C Trucks guaranteed by the Company amounted to RMB600,655,000; The guaranteed loan of subsidiary Jiangsu Trailer Leasing transportation guaranteed by CIMC Vehicles amounted to RMB94,844,000. (As at 31 December 2019, the Group's long-term guaranteed borrowings were comprised of the followings: The guaranteed loans of subsidiary Fortune, CIMC Financing and Leasing, CIMC Chancheng, Tianjin Hongxin Berg, CIMC Huajun Casting, Gansu CIMC Huajun, Dongguan CIMC Intelligent Technology Co., Ltd ("Dongguan Tech"), Qingdao CIMC Environmental Protection Equipment Co., Ltd. ("Qingdao Environmental Protection") amounted to RMB24,129,663,000.)
- (iii) As at 31 December 2020, the Group's long-term pledged borrowing was subsidiary China Fire Safety borrowed RMB291,829,000 from bank with 60% equity of its subsidiary Shenyang Jietong as collateral of which the pledged loan that expire within one year were RMB50,000,000 (As at 31 December 2019, the Group's long-term pledged borrowings were comprised of the followings: subsidiary CIMC Chancheng borrowed RMB1,800,000,000 from bank with 51% equity of its subsidiary SZ Shangqi and 51% equity of its subsidiary Leyi Real Estate as collateral; subsidiary China Fire Safety borrowed RMB341,819,000 from bank with 60% equity of its subsidiary Shenyang Jietong and 100% equity of its subsidiary Shanghai Jindun as collateral).

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40. Long-term borrowings (Continued)

- (1) As at 31 December 2020, no amount due to the shareholders who hold more than 5% (inclusive) of the voting rights of the Company or due to related parties was included in the above balance of long-term borrowings (31 December 2019: Nil).
- (2) As at 31 December 2020, the interest rate of long-term borrowings ranged from 1.20% to 6.87% (31 December 2019: 1.20% to 6.87%).

41. Debentures payable

	Note	31 December 2019	Issued this year	Interest accrued at face value	Premium and discount amortization	Repaid this year	31 December 2020
Medium-term notes	(1)	6,000,000	-	249,950	-	(158,118)	6,091,832
Corporation bonds	(2)	2,000,000	-	72,600	-	(57,072)	2,015,528
Convertible bond	(3)	14,049	-	-	-	(14,049)	-
		8,014,049	-	322,550	-	(229,239)	8,107,360
Less: debentures payable due within one year			-				(2,017,874)
							6,089,486

(1) Medium-term notes:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
18 CIMC MTN001 (i)	2,000,000,000	17/10/2018	3 years	2,000,000,000
19 CIMC MTN001 (ii)	2,000,000,000	15/04/2019	3 years	2,000,000,000
19 CIMC MTN002 (iii)	2,000,000,000	10/10/2019	3 years	2,000,000,000
Total	6,000,000,000			6,000,000,000

- (i) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 17 October 2018; with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.29% per annum. Interest is to be paid on 17 October each year in the arrears until redemption and par value to be paid on 17 October 2021. The notes are unsecured and targets institutional investors in the national inter-bank market. As of 31 December 2020, the bond principal and interest payable by the Group within one year is RMB2,017,874,000, which is listed as non-current liabilities due within one year (Note IV.38)
- (ii) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 15 April 2019; with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.05% per annum. Interest is to be paid on 15 April each year in the arrears until redemption and par value to be paid on 15 April 2022. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (iii) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 10 October 2019; with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.29% per annum. Interest is to be paid on 10 October each year in the arrears until redemption and par value to be paid on 10 October 2022. The notes are unsecured and targets institutional investors in the national inter-bank market.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Debentures payable (Continued)

(2) Corporation bonds:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
China International Marine Containers (Group) Co., Ltd. Publicly Issued Corporate Bonds to Qualified Investors in 2019 (Tranche I)	2,000,000,000	15/10/2019	3 years	2,000,000,000

The Company issued 2019 Public Offering of Corporate Bonds (Tranche I) to qualified investors with an amount of RMB2 billion on 15 October 2019; with par value and issue price of RMB100 respectively per bond and fixed interest rate of 3.63% per annum. Interest was to be paid annually and par value to be paid on 15 October 2022.

(3) Convertible bonds

CIMC TianDa, a subsidiary of the Group, issued convertible bonds to Sharp Vision Holdings Ltd ("**Sharp Vision**"), a subsidiary of the Group, and third parties as partial consideration for the stock exchange agreement. The convertible bonds are to be matured on 22 April 2048. They bear interest from and including the issue date at 0.1% (the effective rate was 10.64%) per annum, payable annually in arrear on each anniversary from the issue date until the conversion or redemption. Subject to the terms and condition of the convertible bonds, each bondholders has the right to convert the bonds into shares of CIMC TianDa at any time from the issue date to maturity date, at a conversion price of RMB0.3111 per share (the "**Initial Conversion Price**", HKD0.366 per share at the agreed fixed exchange rate of HKD1: RMB0.85). As of December 31, 2020, all conversion bonds held by third parties have been converted into equity.

42. Lease liabilities

	31 December 2020	31 December 2019
Lease liabilities	810,305	823,289
Less : Current portion of lease liabilities due within one year (Note IV.38)	(192,511)	(155,325)
	617,794	667,964

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Deferred income

	Note	31 December 2019	Current year additions	Current year decrease	31 December 2020	Reason
Government grants	(1)	1,088,594	369,523	(282,116)	1,176,001	Government Grants received, to be recognized in future periods
Others		8,011	23	(6,374)	1,660	Outright sale of operating leasing receivables, to be recognized in future periods
Total		1,096,605	369,546	(288,490)	1,177,661	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Deferred income (Continued)

(1) Government grants

	31 December 2019	Increase in current year	Decrease in the current year			31 December 2020	Asset related/ Income related
			Other income	write down financial expenses	Other decrease		
CIMC Raffles National Development and Reform Commission on the release of industrial upgrading project budget report	200,000	-	-	-	-	200,000	Asset related
Enric relocation compensation	162,856	-	(5,392)	-	-	157,464	Asset related
Enric new factory government grants	69,989	-	(3,470)	-	-	66,519	Asset related
Enric Peak-shaving station government grants	-	55,200	-	-	-	55,200	Asset related
CIMC Offshore Holdings natural gas hydrate drilling and mining equipment research and development project	47,387	-	-	-	-	47,387	Asset related
YZTH relocation compensation	141,957	62,681	(158,197)	-	-	46,441	Asset related
CIMC Offshore Holdings marine engineering intelligent key technology research and system development project	43,245	-	-	-	-	43,245	Asset related
Shaanxi CIMC Vehicles Industry	42,198	-	(796)	-	-	41,402	Income related
Dongguan Southern CIMC Logistics Equipment Manufacture intelligent production line project	-	39,420	-	-	-	39,420	Asset related
Qianhai Innovation and entrepreneurship carrier special funds	-	37,523	-	-	-	37,523	Asset related & Income related
C&C Trucks government build donation	25,473	-	(923)	-	-	24,550	Asset related
TAS industrial base project	25,517	-	(1,422)	-	-	24,095	Asset related
Ningbo CIMC Industry and Technology development special funds	-	22,178	(297)	-	-	21,881	Asset related
QDCRC world bank foaming	22,915	-	(2,310)	-	-	20,605	Asset related
Yantai Raffles Industrialization of marine multifunctional composite platform	-	21,134	(1,214)	-	-	19,920	Income related
YZTH discount on loan for construction of factory	-	20,000	-	(3,006)	-	16,994	Income related
SYFFVF relocation compensation	16,499	-	(404)	-	-	16,095	Asset related

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43. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2019	Increase in current year	Decrease in the current year			31 December 2020	Asset related/ Income related
			Other income	write down financial expenses	Other decrease		
Yantai Raffles New Material Production and Application Demonstration Platform Construction Project	5,252	9,567	-	-	-	14,819	Asset related & Income related
Chuzhou government grants for fixed assets	-	14,460	-	-	-	14,460	Asset related
CIMC Offshore Holdings offshore test platform project	6,539	5,664	(1,943)	-	-	10,260	Asset related
Taicang CIMC Special Logistics Equipment government grants	10,484	-	(302)	-	-	10,182	Asset related
QDSCR world bank foaming equipment project	11,220	-	(1,131)	-	-	10,089	Asset related
Yantai Raffles Marine Engineering Equipment Testing and Testing Platform Construction	12,672	-	(2,935)	-	-	9,737	Asset related
EMA deep-water semi-submersible support platform project	13,824	-	(4,470)	-	-	9,354	Asset related
TCCIMC land compensation	9,074	-	(262)	-	-	8,812	Asset related
XHCIMCS Zhujiang river bank advanced equipment manufacturing special fund	8,440	-	-	-	-	8,440	Asset related
CQLE Land grant fee refund	7,419	-	(200)	-	-	7,219	Asset related
Yantai Raffles development of Wireless Extended Observation System for Submarine Observation Network	2,218	4,692	(37)	-	-	6,873	Asset related & Income related
High-end marine engineering equipment innovation capacity building project	7,000	-	(201)	-	-	6,799	Asset related
Government grants for research on key technology of Offshore Oilfield Facilities Dismantling Equipment	-	7,000	(259)	-	-	6,741	Asset related
NTCIMCS major achievements transformation project	6,681	-	-	-	-	6,681	Income related
Fixed asstes technology transformation subsidy granted by Finance Bureau, Pingshan District, Shenzhen	-	6,882	(506)	-	-	6,376	Asset related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2019	Increase in current year	Decrease in the current year			31 December 2020	Asset related/ Income related
			Other income	write down financial expenses	Other decrease		
Yantai Raffles Marine Equipment Virtual Reality Training R&D Center	6,893	-	(1,333)	-	-	5,560	Asset related & Income related
CIMC Offshore Holdings Gas hydrate test production platform safety guarantee technology and early engineering	6,000	-	(1,377)	-	-	4,623	Income related
TAS information technology development special fund	4,632	-	(724)	-	-	3,908	Asset related & Income related
SYFFVF Technological transformation subsidies	4,305	-	(630)	-	-	3,675	Asset related
2020 Doongguan Intelligent manufacturing key project funding program	-	3,751	(118)	-	-	3,633	Asset related
Zhenhua Group Drop and Pull Transport program	4,587	-	(1,124)	-	-	3,463	Income related
Land supporting funds and technical R&D funds of Shandong vehicles	3,595	-	(224)	-	-	3,371	Income related
CIMC Offshore Holdings engineering equipment localization-Deep sea testing ground	4,687	-	(1,386)	-	-	3,301	Income related
MEA-other	3,935	-	(716)	-	-	3,219	Income related
Yangzhou upgrade special funds	-	3,200	-	-	-	3,200	Income related
Longkou Raffles marine economy innovative development project	-	2,999	-	-	-	2,999	Asset related
Research and development of marine engineering equipment structure and deep water metering device	-	3,220	(697)	-	-	2,523	Asset related & Income related
Yantai Raffles research and utilization of marine engineering intelligent processing platform	-	3,889	(1,600)	-	-	2,289	Income related
Technology boosting Economy project(research of detective car and decontamination car special funds)	-	2,200	-	-	-	2,200	Asset related
2019 Yangzhou advanced manufacturing development project special funds	-	2,100	-	-	-	2,100	Income related

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43. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2019	Increase in current year	Decrease in the current year			31 December 2020	Asset related/ Income related
			Other income	write down financial expenses	Other decrease		
Shenzhen Super Luxury Yacht R&D Design Laboratory Project	2,977	-	(996)	-	-	1,981	Asset related
A variety of communication interface special equipment controller and system industrialization project	1,817	-	(436)	-	-	1,381	Asset related & Income related
Transformation project of high-tech in Jiangsu Province of Yangzhou Runyang	1,577	-	(227)	-	-	1,350	Income related
Subsidy for air pollution prevention project	-	1,320	(10)	-	-	1,310	Asset related
Shenzhen Star Base Equipment and Technology Engineering Laboratory Project	2,083	-	(1,000)	-	-	1,083	Income related
MEA special funds to support industrial innovation	3,054	-	(2,249)	-	-	805	Asset related
Jiajing Technology key Industry Technology Research Institute technical support	676	-	(113)	-	-	563	Asset related
TAS technology development fund	595	-	(97)	-	-	498	Asset related
C&C Truck equipment finance lease subsidies	1,488	-	(1,488)	-	-	-	Asset related
Yantai Raffles Seventh Generation Super Deep-water Drilling Platform (Boat) Innovation Special	17,200	14,131	(31,331)	-	-	-	Asset related
Yantai Raffles research and development fund of key technologies for integrated disassembly of super large offshore oilfield facilities	3,871	1,350	(5,221)	-	-	-	Asset related
MEA received the special fund/cloud platform project of the independent innovation demonstration zone	50	-	(50)	-	-	-	Asset related
Others	115,713	24,962	(39,292)	-	-	101,383	Asset related & Income related
	1,088,594	369,523	(279,110)	(3,006)	-	1,176,001	-

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44. Other non-current liabilities

	Note	31 December 2020	31 December 2019
Rental advances		4,120	105,081
Interest rate swap contract	IV.3(3)	19,744	40,275
Others	(1)	37,212	1,360,724
		61,076	1,506,080
Less: Current portion of other non-current liabilities			
Others		–	(123,059)
		61,076	1,383,021

- (1) As of December 31, 2019, the other was mainly the “Zhonglian Qianhai Open Source-CIMC Chancheng Industrial Park No. 1 Phase I Asset Support Special Plan ” issued by the Group’s subsidiary CIMC Chancheng as the original equity holder. The amount was RMB331,305,000; the CIMC Agricultural Bank-CIMC Industrial Park Special Investment Fund, which was invested by CIMC Chancheng, a subsidiary of the Group, as an inferior partner, had an amount of RMB800,000,000. In 2020, those liabilities was not included in the scope of the Group’s consolidation due to the Group losing its controlling interest in CIMC Chancheng.

45. Share capital

	31 December 2019 '000	Current year additions '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2020 '000
Shares subject to trading restriction					
– Held by domestic natural person	850	–	–	–	850
Shares not subject to trading restriction					
– RMB-denominated ordinary shares	1,523,762	10,510	–	–	1,534,272
– Foreign shares listed overseas	2,059,892	–	–	–	2,059,892
	3,584,504	10,510	–	–	3,595,014

	31 December 2018 '000	Current year additions '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2019 '000
Shares subject to trading restriction					
– Held by domestic natural person	762	88	–	–	850
Shares not subject to trading restriction					
– RMB-denominated ordinary shares	1,267,650	256,112	–	–	1,523,762
– Foreign shares listed overseas	1,716,577	343,315	–	–	2,059,892
	2,984,989	599,515	–	–	3,584,504

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46. Other equity instruments

	31 December 2019	Current Year issuance	Interest at par value	Paid in current year	Other current year additions	31 December 2020
18 CIMC MTN002(i)	2,006,165	-	103,400	(103,400)	-	2,006,165
18 First phase renewable corporate bond(ii)	2,001,380	-	97,000	(97,000)	-	2,001,380
Perpetual Debt Investment Contract(iii)	-	2,000,000	73,579	(1,773,082)	-	300,497
	4,007,545	2,000,000	273,979	(1,973,482)	-	4,308,042

	31 December 2018	Current Year issuance	Interest at par value	Paid in current year	Other current year additions	31 December 2019
18 CIMC MTN002	2,006,165	-	103,400	(103,400)	-	2,006,165
18 First phase renewable corporate bond	2,001,380	-	97,000	(97,000)	-	2,001,380
	4,007,545	-	200,400	(200,400)	-	4,007,545

(j) Approved by the China Association of Financial Market Institutional Investors Zhongshi Xiezhuzhu [2016] MTN591 document, the company issued a cumulative perpetual bond with no fixed repayment period ("**18 Marine Collection**" on October 24, 2018). Installed MTN002", with a total face value of RMB2 billion and an initial fixed interest rate of 5.17%. The other main terms of the perpetual bond are as follows:

- (1) There is no definite principal payment date for this issue of bonds. The issuer shall repay the principal and all unpaid interest payable on the redemption date.
- (2) This bond is attached to the issuer's right to defer the payment of interest. Unless a mandatory interest payment event occurs, the issuer can choose to include the current interest and all interest deferred in accordance with this clause on each interest payment date of the bond. The payment of fruits is postponed to the next interest payment date, and is not subject to any restrictions on the number of deferred interest payments.
- (3) If the issuer distributes dividends to ordinary shareholders or reduces the registered capital within 12 months before the interest payment, it shall not defer the current interest and all interest and its fruits that have been deferred in accordance with the agreement. If the issuer has chosen to defer the current interest and all the interest and its fruits that have been deferred in accordance with the agreement, it shall not distribute dividends to ordinary shareholders or reduce the registered capital.

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46. Other equity instruments(Continued)

(ii) Approved by the China Securities Regulatory Commission Securities Regulatory Commission [2018] No. 1858, the company issued a cumulative perpetual bond with no fixed repayment period ("**18 Renewable Corporate Bonds**") on December 3, 2018. Phase 1"), with a total face value of RMB2 billion and an initial fixed interest rate of 4.85%. The other main terms of the perpetual bond are as follows:

- (1) The bond's repricing cycle is three years. At the end of each repricing cycle, the issuer has the right to choose to extend the bond term by one repricing cycle.
- (2) This bond is attached to the issuer's right to defer the payment of interest. Unless a mandatory interest payment event occurs, the issuer can choose to include the current interest and all interest deferred in accordance with this clause on each interest payment date of the bond. The payment of fruits is postponed to the next interest payment date, and is not subject to any restrictions on the number of deferred interest payments.
- (3) If the issuer distributes dividends to ordinary shareholders or reduces the registered capital within 12 months before the interest payment, it shall not defer the current interest and all interest and its fruits that have been deferred in accordance with the agreement. If the issuer has chosen to defer the current interest and all the interest and its fruits that have been deferred in accordance with the agreement, it shall not distribute dividends to ordinary shareholders or reduce the registered capital.

Since the perpetual bonds do not constitute the company's unavoidable contractual obligation to pay cash or other financial assets, they are classified as equity instruments and listed as other equity instruments.

(iii) The company signed an agreement with the bank on April 30, 2020, stipulating that the bank will use the funds legally raised by the issuance of the bank's financial management plan and have the right to make perpetual debt investment in the company. The total amount of investment funds accepted by the company is RMB2,000,000,000. The investment plan is made for general corporate financing purposes, with an initial investment interest rate of 5.5% and an initial investment period of 24 months.

The investment plan does not have a fixed expiry date. The company can apply to the bank for partial or full redemption of the perpetual debt on the corresponding date 6 months after the expiration of the perpetual debt investment fund and any day thereafter. Before the deferred payment of interest is paid off (including the deferred payment of interest), the company cannot implement such behaviors as dividends and capital reduction.

On December 30, 2020, the company redeemed perpetual debt of RMB1,700,000,000.

Since the above perpetual bonds do not constitute the company's unavoidable contractual obligation to pay cash or other financial assets, they are classified as equity instruments and listed as other equity instruments.

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47. Capital reserve

	31 December 2019	Current year additions	Current year decrease	31 December 2020
Capital surplus	4,758,233	786,205	(244,787)	5,299,651
Including:				
– Capital reserve due to minority shareholders' contribution (Note VI, 1(5)(i) (iii)(v))	1,353,548	602,115	(101,023)	1,854,640
– Disposal of partial equity of subsidiary	915,936	–	–	915,936
– Capital reserve due to acquiring minority shareholders' equity (Note VI, 1(5)(ii)(iv))	(527,927)	39,821	(143,764)	(631,870)
– Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	–	(107,258)
– Others	3,123,934	144,269	–	3,268,203
Other capital reserve:	123,078	112,493	(72,017)	163,554
Including:				
– Equity settled share-based payment	428,265	103,958	(71,147)	461,076
– Capital reserve due to share option exercised by subsidiary	8,608	–	(763)	7,845
– Exchange reserve on foreign currency capital	(406,795)	–	–	(406,795)
– Others	93,000	8,535	(107)	101,428
	4,881,311	898,698	(316,804)	5,463,205

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47. Capital reserve (Continued)

	31 December 2018	Current year additions	Current year decrease	31 December 2019
Capital surplus	5,281,452	136,858	(660,077)	4,758,233
Including:				
– Capital reserve due to minority shareholders' contribution	1,337,879	77,685	(62,016)	1,353,548
– Disposal of partial equity of subsidiary	892,786	24,123	(973)	915,936
– Capital reserve due to acquiring minority shareholders' equity	(528,433)	506	–	(527,927)
– Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	–	(107,258)
– Others	3,686,478	34,544	(597,088)	3,123,934
Other capital reserve:	(1,153,052)	1,294,048	(17,918)	123,078
Including:				
– Equity settled share-based payment	405,370	39,326	(16,431)	428,265
– Capital reserve due to share option exercised by subsidiary	10,095	–	(1,487)	8,608
– Exchange reserve on foreign currency capital	(406,795)	–	–	(406,795)
– Recognition of buy-back right granted to minority shareholders	(1,249,826)	1,249,826	–	–
– Others	88,104	4,896	93,000	
	4,128,400	1,430,906	(677,995)	4,881,311

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48. Other comprehensive income

	Other comprehensive income in the 2020 balance statement			Other comprehensive income in the 2020 income statement					
	31 December 2019	Post-tax amount attributable to the Company	Other comprehensive income that transferred into retained earnings	31 December 2020	Pre-tax amount incurred	Less: Other comprehensive income transferred out this year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority
Item that will not be reclassified to profit or loss:									
- Changes in fair value of other equity investments	517,418	(131,175)	-	386,243	(165,481)	-	34,306	(131,175)	-
Item that may be reclassified subsequently to profit or loss:									
- Cash flow hedges	2,578	(2,578)	-	-	(2,578)	-	-	(2,578)	-
- Changes in fair value of other debt investments	2,282	(2,282)	-	-	(2,280)	-	(2)	(2,282)	-
- Currency translation differences	439,872	(298,547)	-	141,325	(369,584)	-	-	(298,547)	(71,037)
- The share of other comprehensive income that will be reclassified into profit or loss under equity method	16,448	(7,925)	-	8,523	(7,925)	-	-	(7,925)	-
- The amount greater than the book value on the conversion date when the self-use real estate was converted to investment properties using fair value measurement	736,728	(352,050)	-	384,678	(537,601)	-	39,676	(352,050)	(145,875)
	1,715,326	(794,557)	-	920,769	(1,085,449)	-	73,980	(794,557)	(216,912)

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48. Other comprehensive income (Continued)

	2019					
	31 December 2018	Pre-tax amount incurred	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	31 December 2019
Item that will not be reclassified to profit or loss:	-	-	-	-	-	-
- Changes in fair value of other equity investments	280,741	236,677	-	236,677	-	517,418
Item that may be reclassified subsequently to profit or loss:	-	-	-	-	-	-
- Cash flow hedges	2,720	(167)	25	(142)	-	2,578
- Changes in fair value of other debt investments	1,599	911	(228)	683	-	2,282
- Currency translation differences	(11,315)	539,139	-	451,187	87,952	439,872
- The share of other comprehensive income that will be reclassified into profit or loss under equity method	16,448	-	-	-	-	16,448
- The amount greater than the book value on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	548,518	412,336	(113,217)	188,210	110,909	736,728
	838,711	1,188,896	(113,420)	876,615	198,861	1,715,326

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49. Surplus reserve

	31 December 2019	Current year additions	Current year decrease	31 December 2020
Statutory surplus reserve	1,792,251	5,254	–	1,797,505
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	3,582,343	5,254	–	3,587,597

	31 December 2018	Current year additions	Current year decrease	31 December 2019
Statutory surplus reserve	1,492,493	299,758	–	1,792,251
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	3,282,585	299,758	–	3,582,343

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year (including shareholder and other equity holders of the Company) to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities

50. Undistributed profits

	Note	2020	2019
Undistributed profits at the beginning of the year		21,482,857	22,082,769
Add: net profit attributable to the shareholders and other equity holders of the Company for the current year		5,349,613	1,542,226
Add: Income from disposal of other equity investments		20,000	–
Less: Equity attribute to holders of other equity investments in current year		(273,979)	(200,400)
Less: appropriation for surplus reserve		(5,254)	(299,758)
Less: ordinary share dividends payable	(1)	(430,348)	(1,641,980)
Undistributed profits at the end of the year		26,142,889	21,482,857

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51. Undistributed profits(CONTINUED)

(1) Dividends of ordinary shares declared during the year

	2020	2019
Dividends proposed but not declared	–	–
Total proposed dividends in the year	430,348	1,641,980

Approved by the shareholders' general meeting on 1 June 2020, the Company distributed cash dividends to ordinary shareholders on 24 June 2020, at RMB0.12 per share (2019: RMB0.55 per share), totaling RMB430,348,000 (2019: RMB1,641,980,000).

52. Revenue and cost of sales

	2020	2019
Revenue from main operations	92,186,310	83,883,719
Revenue from other operations	1,972,773	1,931,622
	94,159,083	85,815,341
Cost of sales from main operations	79,644,980	72,325,517
Cost of sales from other operations	1,069,891	1,030,088
	80,714,871	73,355,605

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Revenue and cost of sales (Continued)

(1) Revenue and cost of sales from main operations by industries and by products

	2020		2019	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Containers manufacturing	21,104,040	18,561,595	19,370,186	18,036,398
Road transportation vehicles	26,045,464	22,806,190	22,771,079	19,879,461
Energy, chemical and food equipment	12,840,265	10,620,596	14,563,778	12,019,942
Logistics services	10,530,479	9,789,786	9,055,183	8,252,052
Airport, fire and automated logistics equipment	5,920,846	4,690,905	5,680,794	4,461,808
Heavy truck	1,548,697	1,651,994	2,391,293	2,111,644
Finance and asset management	1,567,975	788,778	1,606,849	1,029,809
Offshore engineering	4,879,427	5,108,237	3,797,528	3,509,354
Unit load	2,598,825	2,038,799	–	–
Real estate	2,155,976	1,339,803	1,414,833	635,585
Others	2,994,316	2,248,297	3,232,196	2,389,464
	92,186,310	79,644,980	83,883,719	72,325,517

(2) Revenue and cost of sales from main operations by locations

	2020		2019	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Revenue from main operations
P.R China (PRC)	82,127,056	71,324,451	71,618,204	61,498,165
Europe	5,401,309	4,647,845	6,247,659	5,471,456
America	3,550,808	2,758,373	4,737,820	4,253,157
Asia (except for PRC)	911,659	755,717	878,255	735,221
Others	195,478	158,594	401,781	367,518
	92,186,310	79,644,980	83,883,719	72,325,517

The revenue and cost of sales from main operations by locations was determined on the location at which the services were provided or the goods were delivered.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	2020		2019	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sale of raw materials	900,715	573,519	749,265	510,380
Rental income(i)	173,925	117,838	336,129	78,910
Rendering of services	898,133	378,534	846,228	440,798
	1,972,773	1,069,891	1,931,622	1,030,088

- (i) The group's rental income comes from renting its own houses and buildings, machinery and equipment and means of transport. In 2020, there is no variable rent in the rental income based on a certain proportion of the lessee's sales (2019: none).

Owing to the novel coronavirus pneumonia epidemic, the group relieved the lessee from RMB1,273,000 in 2020. The group has reduced the rent deduction to the current rental income.

(4) Revenue by categories

	2020												Total
	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport, fire and automated logistics equipment	Heavy truck	Logistics services	Unit Load	Real estate	Finance and asset management	Others		
Revenue from main operations													
Including:													
Recognized at a point in time	21,104,040	25,836,931	8,782,335	556,722	5,154,240	1,548,697	-	2,598,825	2,155,976	10,439	2,994,316	-	70,742,521
Recognized over time	-	208,533	4,057,930	4,322,705	766,606	-	10,530,479	-	-	1,557,536	-	-	21,443,789
Revenue from other operations (i)	358,473	249,873	357,932	168,812	133,697	54,249	38,242	28,429	13,242	143,618	426,206	-	1,972,773
	21,462,513	26,295,337	13,198,197	5,048,239	6,054,543	1,602,946	10,568,721	2,627,254	2,169,218	1,711,593	3,420,522	-	94,159,083

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52. Revenue and cost of sales (Continued)

(4) Revenue by categories (Continued)

	2019											Total
	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport, fire and automated logistics equipment	Heavy truck	Logistics services	Unit Load	Real estate	Finance and asset management	Others	
Revenue from main operations												
Including:												
Recognized at a point in time	19,370,186	22,619,276	9,961,164	433,282	4,945,269	2,391,293	-	-	1,414,833	5,803	3,232,196	64,373,302
Recognized over time	-	151,803	4,602,614	3,364,246	735,525	-	9,055,183	-	-	1,601,046	-	19,510,417
Revenue from other operations (i)	346,480	547,700	321,922	121,965	278,628	36,058	54,672	-	17,744	118,696	87,757	1,931,622
	19,716,666	23,318,779	14,885,700	3,919,493	5,959,422	2,427,351	9,109,855	-	1,432,577	1,725,545	3,319,953	85,815,341

(i) The group's material sales revenue is recognized at a certain point in time.

As at 31 December 2020, the amount of revenue corresponding to the performance obligations of the Group that have signed the contract but not yet fulfilled or not fulfilled was RMB6,101,765,000 (31 December 2019: RMB9,000,821,000), of which the Group expected that RMB5,466,128,000 will be recognized in 2021, RMB463,513,000 will be recognized in 2022, and RMB172,124,000 will be recognized in 2023.

53. Taxes and surcharges

	2020	2019	Standard
City maintenance and construction tax	126,067	139,253	7% of VAT
Educational surcharge	95,444	106,749	3% - 5% of VAT paid
Tenure tax	92,229	103,425	Actual using area of land and unit tax
Land appreciation tax	242,268	206,610	Appreciation amount in transferring property and applicable tax rate
Housing property tax	95,492	91,157	Real estate surplus or property rental income and applicable tax rate
Stamp Duty	49,584	46,160	Amount or number of taxable voucher and applicable tax rate or unit tax
Others	7,932	13,414	
	709,016	706,768	

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54. Selling and distribution expenses

	2020	2019
Employ benefits	984,875	1,019,261
Selling operation	343,078	416,753
Warranty	230,168	248,956
Storage	42,847	79,552
Product maintenance fee	38,620	61,934
Agency fees	44,771	52,637
Advertising	77,172	48,267
External sales commission	62,489	29,131
Transportation and distribution expenses	10,860	12,618
Right of use assets depreciation	5,579	5,317
Others	149,617	322,847
	1,990,076	2,297,273

55. General and administrative expenses

	2020	2019
Employ benefits	2,465,617	2,572,908
Performance bonus and profit sharing bonus	313,222	459,672
Agency fees	372,755	371,310
Amortization	209,961	264,996
Depreciation	243,198	170,231
Entertainment fee	113,515	153,736
Travel expenses	64,070	130,585
Rental	108,534	124,833
Low-value consumables and materials consumed	89,503	87,239
Taxes and surcharges	78,042	67,297
Share-based payment expenses	104,495	57,369
Right of use assets depreciation	74,103	45,894
Audit fee	12,170	11,410
Insurance, external repairing expenses and others	647,156	686,791
	4,896,341	5,204,271

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56. Research and development expenses

	2020	2019
Research and development labor costs	593,772	570,448
Direct material consumption	585,094	471,128
Design fee	135,526	129,000
Depreciation and amortization	125,747	118,257
Testing fee	81,150	73,997
Right of use assets depreciation	384	45
Others	87,031	74,171
	1,608,704	1,437,046

57. Financial expenses

	2020	2019
Interest expenses	2,275,696	2,792,116
Add: Interest expense on lease liabilities	63,147	24,558
Less: capitalised borrowing costs	(746,740)	(1,181,927)
Sub-total	1,592,103	1,634,747
Less: interest income	(319,578)	(490,214)
Net exchange losses/(gains)	648,699	(25,325)
Others	175,329	156,957
	2,096,553	1,276,165

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Expenses by nature

Costs of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in income statement presented by nature are analysed as follows:

	2020	2019
Finished goods and work-in-progress movement	715,554	(948,951)
Consumption of raw materials and low priced and easily worn articles, etc	67,692,792	65,267,986
Salary and wages	8,828,911	8,159,122
Depreciation and amortization	3,228,241	2,632,557
Right of use assets depreciation	269,579	145,732
Rental	236,040	283,315
Shipping and handling charges	3,397,403	1,414,934
Selling operation expenses	343,078	416,753
Power expenses	661,901	710,855
Processing and repairing expenses	900,609	753,735
Audit fee	12,170	11,410
Other expenses-other research and development expenses	303,708	277,167
Other expenses-other manufacturing expenses	499,444	650,493
Other expenses-other selling and distribution expenses	563,981	742,882
Other expenses-other general and administrative expenses	1,556,581	1,776,205
	89,209,992	82,294,195

As mentioned in Note II.27, the Group directly includes the rental expenses of short-term leases and low-value leases in the current profit and loss, and the amount for 2020 was RMB236,040,000 (2019 : RMB283,315,000).

Owing to the novel coronavirus pneumonia epidemic, the lessor relieved the group of RMB3,173,000 in 2020. The group has reduced the rent deduction to the current rental charge.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Fair value gains/(losses)

	2020	2019
Financial assets at fair value through profit or loss		
– Changes in fair value during the year		
1. Fair value (losses)/gains on equity instruments held for trading	(49,626)	9,248
2. Fair value gains on debt instruments held for trading	10,263	18,578
3. Fair value gains/(losses) on derivative financial instruments	938,356	(266,311)
– Gains for derecognized financial assets at fair value through profit or loss	(359,554)	73,143
Sub-total	539,439	(165,342)
Investment properties at fair value	(30,767)	33,156
Financial liabilities at fair value through profit or Loss		
– Changes in fair value during the year		
1. Fair value losses on derivative financial instruments	(375,083)	(41,217)
2. Fair value gains on financial guarantee contracts	11,264	14,110
– Gains for derecognized financial liabilities at fair value through profit or loss	–	2,541
Sub-total	(363,819)	(24,566)
Total	144,853	(156,752)

60. Investment income

	2020	2019
Income from Financial assets held for trading during the holding period	8,030	15,474
Income/(Loss) from disposal of financial assets/liabilities held for trading	37,566	(19,500)
Dividend income from investments in other equity instruments	39,555	40,663
Income/(Loss) from disposal of derivative financial instruments	321,988	(53,643)
Income from long-term equity investments under equity method	473,599	34,819
Income from disposal of long-term equity investment and subsidiary (i)	4,427,236	352,525
Others	(7,094)	(43,402)
Total	5,300,880	326,936

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Investment income/(losses) (Continued)

- (i) In 2020, the income mainly comes from the capital increase of Country Garden Real Estate Group Co., Ltd. (hereinafter referred to as "country garden") and Xi'an Qujiang cultural industry investment (Group) Co., Ltd. (hereinafter referred to as "Qujiang cultural investment") in CIMC Chancheng. The equity of the Group in CIMC Chancheng is diluted, and the fair value of the remaining equity minus the original equity of CIMC Chancheng and its subsidiaries. The difference between the Company's share of net assets shall be included in the investment income of the current period when the control right is lost. Other comprehensive income related to the original CIMC Chancheng and its subsidiaries shall be converted into the investment income of the current period when the control right is lost. See note V. 2.

61. Gains on disposals of assets

	2020	2019	Amount recognized in non-recurring profit or loss in 2020
Gains on disposals of fixed assets (i)	186,872	73,473	186,872
Loss on disposals of fixed assets	(99,804)	(18,759)	(99,804)
Gains on disposals of intangible assets	28,435	8,928,037	28,435
Loss on disposals of intangible assets	-	(174)	-
Total	115,503	8,982,577	115,503

- (j) In 2020, the Group's subsidiary Financial Leasing obtained a profit of RMB58,770,000 from the disposal of fixed assets (Sales of hotels); Jiaxing wood industry, a subsidiary of the group, obtained a profit of RMB51,365,000 from the disposal of fixed assets due to the land acquisition and storage of Jiaxing wood industry due to local government policies.

62. Other income

	2020	2019	Asset related/ Income related
Financial subsidies (i)	594,307	803,635	Asset related/ Income related
Tax refund	61,734	35,396	Income related
Others	56,076	54,335	Income related
Total	712,117	893,366	

- (i) This mainly represents the government subsidies related to assets obtained by the Group's subsidiary Yangzhou Tonghua due to the relocation of the factory and the suspension of operations, totaling RMB158,197,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

63. Asset impairment losses

	2020	2019
Construction in progress	63,525	1,496,182
Contract Asset	28,377	1,189
Inventories and costs incurred to fulfil a contract	342,268	17,494
Goodwill	83,654	44,735
Fixed assets	50,285	3,534,155
Intangible assets	8,000	–
Long-term equity investments	2,277	149,163
Advances to suppliers	4,051	(17,609)
Total	582,437	5,225,309

64. Credit losses

	2020	2019
Long-term receivables (including current portion of non-current assets)	140,763	186,101
Notes receivables	7,458	1,490
Accounts receivables	2,576	–
Contract assets	245,443	294,410
Other receivables	(8,119)	32,046
Financial guarantee for vehicle loans	6,690	6,237
Total	394,811	520,284

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. Non-operating income

	Note	2020	2019	Amount recognized in non-recurring profit or loss in 2020
Unpayable payables	(i)	128,009	96,355	128,009
Compensation income		23,313	31,814	23,313
Penalty income		17,733	26,930	17,733
Relocation compensation		6,129	–	6,129
Gained by mergers and acquisitions		73,431	43,435	73,431
Other		248,615	198,534	248,615
Total		128,009	96,355	128,009

- (i) During the year 2017, subsidiary CIMC Enric Holdings Ltd wrote back restructuring liabilities of RMB113,546,000 in related to the bankruptcy restructuring of Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd. ("SOE") since CIMC Enric Holdings Ltd was no longer obliged to pay those amounts.

66. Non-operating expenses

	2020	2019	Amount recognized in non-recurring profit or loss in 2020
Relocation and liquidation compensation and liquidation fees	102,270	152,213	102,270
Losses of disposals of fixed assets	207,311	66,088	207,311
Abnormal losses	–	50,678	–
Compensation expenses	25,033	33,868	25,033
Penalty expenses	2,233	18,788	2,233
Donations	3,730	3,622	3,730
Others	57,259	98,150	57,259
Total	397,836	423,407	397,836

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

67. Income tax expenses

	2020	2019
Current income tax calculated based on tax law and related regulations	1,222,326	1,130,607
Deferred income tax	56,340	1,973,154
Total	1,278,666	3,103,761

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2020	2019
Profit before tax	7,290,406	5,613,874
Income tax expenses calculated at applicable tax rates	2,017,568	2,989,099
Effect of tax incentive	(196,355)	(174,425)
Expenses not deductible for tax purposes	131,121	180,333
Other income not subject to tax	(1,341,866)	(51,742)
Deductible losses in previously unrecognized deferred income	(49,419)	(299,205)
Deductible losses in unrecognized deferred income tax assets	688,947	327,134
Deductible temporary differences in unrecognized deferred	83,946	75,520
Deductible temporary differences for which no deferred tax asset was recognized in previous years	(9,107)	(9,312)
Effect of tax rate change on deferred tax	808	16,585
Tax refund for income tax annual filing	(46,977)	49,774
Income tax expenses	1,278,666	3,103,761

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2020	2019
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	5,349,613	1,542,226
Less: Equity attributable to holders of other equity instruments	(273,979)	(200,400)
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company	5,075,634	1,341,826
Weighted average number of ordinary shares outstanding('000)	3,588,283	3,582,446
Basic earnings per share (RMB/share)	1.41	0.37
Including: going concern basic earnings per share	0.12	0.25
termination concern basic earnings per share	1.29	0.12

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding:

	2020	2019
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	5,349,613	1,542,226
Influence of the issuing of perpetual bonds by the Company	(273,979)	(200,400)
Influence of the issuing of convertible bonds by subsidiaries	-	(3,120)
Influence of share option program by subsidiaries	(1,371)	(6,855)
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company	5,074,263	1,331,851
Weighted average number of ordinary shares outstanding (diluted) ('000) (adjusted)	3,588,283	3,587,438
Diluted earnings per share (RMB/share)	1.41	0.37

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Earnings per share (Continued)

(2) Diluted earnings per share (Continued)

(a) Calculation of weighted average number of ordinary shares outstanding (diluted):

	2020	2019
Weighted average number of ordinary shares outstanding ('000)	3,588,283	3,582,446
Effect of share options ('000)	–	4,992
Weighted average number of ordinary shares outstanding (diluted) ('000)	3,588,283	3,587,438

The board of directors of the Company was authorised to grant 60,000,000 shares (1.67% of the total issued shares 3,595,013,590) to the senior management and other staffs. Refer to Note IX for details.

69. Notes to the consolidated cash flow statement

(1) Cash received related to other operating activities

	2020	2019
Interest received	330,051	673,241
Cash received from government grants	731,439	594,996
Cash received from compensation income	23,313	31,814
Cash received from penalty income	17,733	26,930
Others	540,749	61,001
	1,643,285	1,387,982

(2) Cash paid related to other operating activities

	2020	2019
Cash paid for insurance and other miscellaneous expenses related to sales	645,684	114,571
Cash paid for research expenses	888,801	748,341
Cash paid for warranty	95,359	188,535
Cash paid for sales expenses	343,078	416,753
Cash paid for entertainment expenses	113,515	153,736
Others	1,351,831	1,717,423
	3,438,268	3,339,359

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

69. Notes to the consolidated cash flow statement (Continued)

(3) Cash received related to other financing activities

	2020	2019
Cash received from loan from minority shareholders	1,054,143	2,569,382
Cash received from issuance of asset-backed plan	393,000	888,486
Cash received from non-public directional debt financing instruments	900,000	-
Cash received from employee equity incentive fund (Note IX · 2(1))	139,719	-
Others	-	66,511
	2,486,862	3,524,379

(4) Cash received related to other financing activities

	2020	2019
Cash paid for lease liability	253,692	195,392
Cash paid for minority shareholders	660,088	83,841
Cash paid for restricted stock repurchase obligations	44,089	-
	957,869	279,233

In 2020, Cash paid for lease related activities was RMB489,732,000 (In 2019:RMB478,707,000). Except for cash paid for lease liability as above, the rest of lease's cash paid out was operating activity related.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

70. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities :

	2020	2019
Net profit	6,011,740	2,510,113
Add: impairment loss for assets	582,437	5,225,309
impairment loss for credit	394,811	520,284
depreciation of fixed assets	2,601,472	2,085,555
depreciation of right-of-use assets	269,579	145,732
amortization of intangible assets	375,690	327,317
amortization of long-term prepaid expenses	251,079	219,685
losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	91,808	(8,916,489)
(gains)/losses on changes in fair value	(144,853)	156,752
financial expense	2,160,795	1,832,785
Investment income	(5,300,880)	(326,936)
share-based payment expenses	104,495	57,369
increase in deferred tax assets	(79,443)	(356,162)
deferred income amortization	(288,490)	(413,217)
increase in deferred tax liabilities	108,162	2,436,579
increase in inventories	(384,046)	(2,511,055)
decrease/(increase) in operating receivables	72,562	(1,901,363)
increase in operating payables	5,983,568	2,446,264
Net cash flows from operating activities	12,810,486	3,538,522

Major operating, investment and financing activities not involving cash receipts and payments

	2020	2019
The transferred in land use right of Qianhai project	-	8,807,535
The quit of minority shareholder of Tianjin Lanshui	-	3,575,000
The prepayments of land use rights transferred into inventory of Shanghai Zhifei	-	4,101,550
The new additions of right-of-use assets	1,529,975	549,310
	1,529,975	17,033,395

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

70. Information to cash flow statement (Continued)

(1) Supplementary information to the consolidated cash flow statement

(b) Net increase in cash and cash equivalents :

	2020	2019
Cash and cash equivalents at the end of the year	11,210,240	8,659,885
Less: cash and cash equivalents at the beginning of the year	8,659,885	10,532,753
Net increase/(decrease) in cash and cash equivalents	2,550,355	(1,872,868)

(2) Information on acquisition of subsidiaries and other business units during the year

	2020	2019
I. Information on acquisition of subsidiaries		
Cash and cash equivalents paid for acquisition	186,631	640,075
Less: Cash and cash equivalents held by subsidiaries and other business units on acquisition date	96,930	232,325
Net cash paid for the acquisition	89,701	407,750
Price of disposed subsidiaries in 2020	186,631	
Net assets held by the acquired subsidiaries at acquisition date		
Current assets	275,151	1,522,998
Non-current assets	130,287	1,282,601
Current liabilities	(211,981)	(1,395,711)
Non-current liabilities	(16,309)	(59,420)
Minority interests	69,441	421,958

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

70. Information to cash flow statement (Continued)

(3) Information on disposal of subsidiaries or other undertakings

	2020	2019
I. Information on disposal of subsidiaries:		
Cash and cash equivalent received on disposal of subsidiaries or other undertakings	555,427	217,670
Less: Cash and cash equivalents remained on disposal day of disposed subsidiaries or other undertakings	1,753,191	52,774
Net cash and cash equivalent (used)/received on disposal of subsidiaries or other undertakings	(1,197,764)	164,896
Price of disposed subsidiaries in 2020	49,500	-
Price of disposed subsidiaries in 2019	505,927	-
Net asset of disposal subsidiaries at disposal date		
Current asset	30,596,958	706,194
Non-current asset	11,512,641	137,223
Current liabilities	(20,265,674)	(664,220)
Non-current liabilities	(12,938,595)	(38,279)
Minority interest	5,978,840	-

(4) Cash and cash equivalents

	31 December 2020	31 December 2019
I. Cash		
Including: Cash on hand	5,330	5,900
Cash at bank that can be readily drawn on demand	10,804,910	7,861,263
Other monetary fund that can be readily drawn on demand	-	139,269
II. Redemptory monetary capital for sale and withdrawal of funds by Finance Company	400,000	653,453
III. Cash and cash equivalents at the end of the year	11,210,240	8,659,885

Note: Aforesaid "Cash and cash equivalents" excluded restricted cash.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

71. Monetary items denominated in foreign currency

	31 December 2020		
	Functional currency '000	Exchange Rate	In RMB '000
Monetary fund –			
USD	366,656	6.5232	2,391,756
EUR	83,980	8.0257	674,000
HKD	8,982	0.8416	7,559
THB	366,883	0.2179	79,938
GBP	29,035	8.8889	258,085
AUD	101,478	5.0150	508,916
JPY	477,276	0.0632	30,181
Others			98,825
			4,049,260
Accounts receivables –			
USD	1,121,848	6.5232	7,318,037
EUR	2,213	8.0257	17,761
GBP	5,918	8.8889	52,602
JPY	689,747	0.0632	43,592
HKD	39,936	0.8416	33,610
AUD	44,210	5.0150	221,711
THB	2,556,150	0.2179	556,985
Others			731,727
			8,976,025
Other receivables –			
USD	194,004	6.5232	1,265,526
GBP	655	8.8889	5,818
HKD	7,923	0.8416	6,668
EUR	76	8.0257	609
THB	6,127	0.2179	1,335
AUD	16,048	5.0150	80,482
JPY	332	0.0632	21
Others			239,739
			1,600,198
Long term receivables –			
USD	1,576,645	6.5232	10,284,773
HKD	37,147	0.8416	31,263
AUD	658	5.0150	3,300
Others			324
			10,319,660

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

71. Monetary items denominated in foreign currency (Continued)

	31 December 2020		
	Functional currency '000	Exchange Rate	in RMB '000
Short-term borrowings –			
USD	488,293	6.5232	3,185,232
EUR	113,143	8.0257	908,051
HKD	160,007	0.8416	134,662
AUD	65	5.0150	326
GBP	41,116	8.8889	365,475
Others			22,652
			4,616,398
Accounts payables –			
USD	163,402	6.5232	1,065,905
EUR	257	8.0257	2,061
GBP	17,013	8.8889	151,224
AUD	63,583	5.0150	318,868
HKD	24,688	0.8416	20,777
THB	1,212	0.2179	264
JPY	93,956	0.0632	5,938
Others			642
			1,565,679
Other payables-			
USD	124,604	6.5232	812,818
EUR	721	8.0257	5,783
GBP	13,060	8.8889	116,092
AUD	7,997	5.0150	40,103
HKD	7,684	0.8416	6,467
THB	11,290	0.2179	2,460
Others			578,975
			1,562,698
Long-term borrowings –			
USD	1,765,773	6.5232	11,518,493
GBP	9,386	8.8889	83,432
			11,601,925
Long term payables –			
Others			394
Lease liabilities –			
USD	1,460	6.5232	9,524
HKD	5,902	0.8416	4,967
Others			34,484
			48,975

The above-mentioned foreign currency monetary items refer to all currencies except RMB (The scope is different from the foreign currency items in Note XVI.4(1)).

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V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control

The acquiree	The acquisition date	Cost of acquisition	Acquired equity percentage	Acquisition method	Acquisition date	Deterministic accordance of the acquisition date	Revenue of the acquiree from the date to the end of the year	Net profit/ (loss) of the acquiree from the date to the end of the year	Cash flows from operating activities of the acquiree from the date to the end of the year	Net cash flows of the acquiree from the date to the end of the year
Lindenau Full Tank Services GmbH	1 January 2020	23,328	100%	By cash	1 January 2020	Date of equity settlement	33,798	32	-	-
McMillan (Coppersmiths & Fabricators) Ltd.	3 April 2020	33,223	100%	By cash	3 April 2020	Date of equity settlement	5,242	474	-	-
Suzhou Liangcai Logistics Technology Co., Ltd. ("CIMC Liangcai")	15 January 2020	127,000	58%	By cash	1 January 2020	Date of equity settlement	216,029	12,211	-	-
Shen Xing Tai Bao (a)	30 June 2020	3,080	28%	By cash	30 June 2020	Date of Approval of the board of directors and the new articles of association	28,743	(603)	3,080	3,080

(a) Before the acquisition date on June 30, 2020, the Group held 23% of the equity of Shen Xing Tai Bao, which is a joint venture of the Group (Note: IV. 17).

(2) CIMC Liangcai

In January 2020, CIMC Technology Co., Ltd. ("CIMC Technology"), a subsidiary of the Group, signed an investment agreement with CIMC Liangcai and its former shareholders. CIMC technology purchased 11,055,000 shares of CIMC Liangcai with RMB45,000,000, accounting for 32.9% share. Meanwhile, CIMC technology subscribed for 20,085,000 shares of CIMC Liangcai with RMB82,000,000. After the completion of the above transaction, CIMC technology holds 58% equity of CIMC Liangcai. The main business of CIMC Liangcai is manufacturing and selling logistics packaging products and handling equipment.

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (Continued)

1. Business combinations involving enterprises not under common control (Continued)

(2) CIMC Liangcai (Continued)

(a) *CIMC Liangcai combination cost and the profit or loss recognized are as follows :*

Combination cost	
Cash	127,000
Total purchase consideration	127,000
Less: Fair value of identifiable net assets obtained	74,620
Goodwill	52,380

(b) *The assets and liabilities of the acquiree party on the date of purchase are as follows:*

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2019 Carrying amount
Cash at bank and on hand	90,968	8,968	8,957
Accounts receivables	76,708	76,708	74,219
Financing receivables	2,848	2,848	-
Prepayments	3,577	3,577	6,435
Inventories	58,329	58,329	58,329
Other receivables	1,664	1,664	4,253
Other current asset	18,496	18,496	17,500
Property, plant and equipment	80,670	80,670	80,670
Intangible assets	13,010	13,010	13,010
Deferred tax asset	1,068	1,068	718
Other non-current asset	12,562	12,562	9,454
Loans	72,459	72,459	57,000
Account payables	39,132	39,132	35,302
Contract liabilities	18,158	18,158	18,142
Other payables	74,114	12,692	15,897
Income tax payable	3,000	3,000	1,172
Other current liability	12,207	12,207	26,996
Total identifiable net assets	140,830	120,252	119,036
Less : Non-controlling interest	66,210		
Net assets acquired	74,620		

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (Continued)**1. Business combinations involving enterprises not under common control (Continued)****(3) Lindenau Full Tank Services GmbH**

On January 1, 2020, Enrico, a subsidiary of the group, signed an equity transfer agreement to acquire 100% equity of Lindenau full tank Services GmbH for consideration of Euro 3,010,000 (equivalent to RMB23,328,000). On the acquisition date, the identifiable net assets of Lindenau full tank Services GmbH were RMB19,546,000, and Enrico confirmed the goodwill of RMB3,782,000. Lindenau full tank Services GmbH is mainly engaged in the production and maintenance of various tanks and trailers as well as the maintenance of cryogenic equipment.

(4) McMillan (Coppersmiths & Fabricators) Ltd.

On April 3, 2020, Enrico, a subsidiary of the group, signed an equity transfer agreement to acquire 100% equity of McMillan (coppersmiths & fabricators) Ltd. for consideration of GBP3,800,000 (equivalent to RMB33,223,000). On the acquisition date, the identifiable net assets of McMillan (coppersmiths & fabricators) Ltd. were 10,177,000 yuan, and Enrico confirmed the goodwill of RMB23,046,000. McMillan (coppersmiths & fabricators) Ltd. is mainly engaged in the production and marketing of copper equipment used in distillation and brewing industry.

(5) Shen Xing Tai Bao

On June 30, 2020, vehicle group, a subsidiary of the group, signed an equity transfer agreement to acquire 28% equity of Shenhong Taibao for a consideration of RMB3,080,000. Before the acquisition date, the vehicle group already held 23% equity of Shenhong Taibao, with its fair value of RMB2,530,000. After the completion of the above transaction, the vehicle group holds 51% of the equity of Shenhong Taibao, the merger cost is RMB5,610,000, the identifiable net assets of Shenhong Taibao is RMB3,364,000, and the vehicle group confirms the goodwill of RMB2,246,000. Shenhong Taibao is mainly engaged in the production, processing and sales of security products, electronic products and auto semi-trailer parts.

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (Continued)

2. Disposal of subsidiaries

Name of the subsidiary	The disposal price	The equity percentage disposed	Disposal method	The disposal date	Deterministic accordance of the disposal date	The difference between the disposal price and the share of the net assets if the disposed subsidiary in the consolidated financial statements	The amount of other comprehensive income related to the equity investment of the Company transferred to the investment gains and losses Company transferred to the investment gains and losses
Shenzhen CIMC Chancheng Development Co., Ltd. and its subsidiaries ("CIMC Chancheng") (i)	7,023,391	15.58%	Loss of control due to capital increase by other investors	26 October 2020	As at 26 October 2020, the purchase price has been paid, the registration has been changed and the directors of the board has been assigned. The relevant risk and benefit has been transferred.	2,856,279	232,375
CIMC Intelligent Technology	61,200	55.00%	Transfer 55% equity and lose control	20 October 2020	As at 20 October 2020, the purchase price has been paid, the registration has been changed and the directors of the board has been assigned. The procedures for industrial and commercial changes has been completed. The relevant risk and benefit has been transferred	70,211	646

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (Continued)

2. Disposal of subsidiaries (Continued)

- (i) On December 31, 2019, CIMC Shenfa, a wholly-owned subsidiary of the group, held 61.5% of the equity of CIMC Chancheng, while Dongfang Tianyu, Chang'an trust and country garden held 7.5%, 6% and 25% of the equity of CIMC Chancheng respectively. At the same time, Shenzhen Qianhai CIMC Investment Development Co., Ltd. ("**Qianhai CIMC investment**"), a wholly-owned subsidiary of the group, container holding and modular construction investment hold part of the equity of the project company under CIMC Chancheng. In 2019, CIMC Chancheng's main business is real estate development and operation, with a total of about 50 companies included in the scope of merger. The main associated enterprises include Shangrong real estate, Shangtai real estate, Yangzhou Jizhi, etc. CIMC Chancheng is disclosed as the city division of the group (Note XV).

In July 2020, Qianhai CIMC investment signed an agreement with the wholly-owned subsidiary of CIMC Chancheng, and Qianhai project companies becomes the subsidiaries of CIMC Chancheng. On August 6, 2020, CIMC Chancheng signed a capital increase agreement with CIMC Shenfa, Dongfang Tianyu, Chang'an trust and country garden. Country garden intends to increase the equity of CIMC Chancheng. The capital increase price is RMB1,606,124,000, including the capital increase for country garden to maintain its 25% equity ratio after Qianhai project injection (Note VI, I (5)). On August 18, 2020, CIMC Chancheng signed a capital increase agreement with CIMC Shenfa, Dongfang Tianyu, Chang'an international, country garden and Qujiang Wentou, and Qujiang Wentou increased its capital to CIMC Chancheng, with the price of RMB2,351,531,000. On October 9, 2020, the company's first extraordinary general meeting in 2020 deliberated and approved the above capital increase agreement. On October 26, 2020, according to the above arrangement, CIMC Chancheng completed the change of industrial and commercial registration, the change of articles of association, the amendment of articles of association and the appointment of new directors. CIMC Shenfa's equity proportion in CIMC Chancheng was passively diluted from 61.50% to 45.92%. CIMC Shenfa's board of directors has 3 seats (8 seats in total), and the Group lost its control over CIMC Chancheng. CIMC Shenfa, a subsidiary of the group, originally held 61.5% of the equity of CIMC Chancheng, and the net assets corresponding to the equity of some project companies of CIMC originally held by Qianhai CIMC investment, container holding and modular construction investment, amount RMB2,856,279,000. Due to the loss of control over CIMC Chancheng, the CIMC Chancheng division is no longer regarded as an independent major business representing the group and is listed as a discontinued operation (note XII). The remaining 45.92% equity of CIMC Chancheng held by CIMC Shenfa and the equity of some project companies of CIMC Chancheng held by Qianhai CIMC investment, container holding and modular construction investment are taken as the long-term equity investment of the group, and the follow-up measurement is carried out according to the equity method (Note IV, 17). The above remaining equity is remeasured to RMB7,023,391,000 according to the fair value on the date of loss of control. The difference between the fair value of the remaining equity minus the net asset share of the original CIMC Chancheng and its subsidiaries calculated according to the original shareholding ratio is included in the investment income of the current period when the control right is lost, and other comprehensive income related to the original CIMC Chancheng and its subsidiaries is converted into the current investment income when the control right is lost.

- (ii) The company will invest the remaining 13% equity of CIMC intelligent technology as other equity instruments (Note XIV).

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (Continued)

2. Disposal of subsidiaries (Continued)

The disposal of gain or loss information is as follows:

	CIMC Chancheng	CIMC Intelligent Technology
The calculation of disposal profit is as follow:		
Disposal price	7,023,391	61,200
Including: Price of cash	–	49,500
Fair value of the original held equity after being diluted	7,023,391	11,700
Less: net assets share at the consolidated financial statement level	2,856,279	70,211
Other comprehensive income transferred to profit or loss	232,375	646
Investment income from disposal	4,399,487	(8,365)

VI. Equity in other entities

1. Equity in subsidiaries

All subsidiaries of the Group were established or acquired through combination not under common control. There was no acquisition of subsidiaries through combination under common control.

As at 31 December 2020, the number of companies included in the scope of consolidation added up to 719. Except for the important subsidiaries listed as below, the number of other subsidiaries held by the Group was 592. Other subsidiaries mainly included those engaged in manufacturing or service provision, which have relatively small scale of operation. Other subsidiaries also included those investment holding companies with no operating activities registered in Hong Kong, British Virgin Islands or other overseas countries.

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. ("SCIMC")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture, repair and sale of container, container stockpiling business	RMB137,698,700	-	100.00%
2	Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("SCIMCEL")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture of containers	USD80,000,000	-	100.00%
3	Xinhui CIMC Container Co., Ltd. ("XHCIMC")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Manufacture, repair and sale of containers	USD24,000,000	-	90.00%
4	Nantong CIMC Shunda Containers Co., Ltd. ("NTCIMC")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture, repair and sale of containers	USD9,060,000	-	60.35%
5	Dalian CIMC Containers Co., Ltd. ("DLCIMC")	Business entity	Dalian Liaoning	Dalian Liaoning	Manufacture and sale of container as well as relevant technical advisory container stockpiling business	RMB254,100,000	-	75.00%
6	Shenzhen CIMC - TianDa Airport Support Co., Ltd. ("TianDa Airport")**	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sales of airport and port electromechanical products Automatic logistics storage system and equipment	USD13,500,000	-	49.00%
7	Ningbo CIMC Logistics Equipment Co., Ltd. ("NBCIMC")	Business entity	Ningbo Zhejiang	Ningbo Zhejiang	Manufacture and sales of containers and related technological consultancy; container storage	USD36,000,000	-	100.00%
8	Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Manufacture and repair of container	USD31,000,000	-	100.00%
9	Yangzhou Runyang Logistics Equipments Co., Ltd. ("YZRYL")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, repair and sales of container	RMB143,880,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
10	Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("SHYSLE")	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant technical advisory	USD29,480,000	-	100.00%
11	Tianjin CIMC Containers Co., Ltd. ("TJCC")	Business entity	Tianjing	Tianjing	Manufacture of container	USD5,000,000	-	100.00%
12	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture, sale and repair of various trough, tank as well as various special storing and transporting equipments and parts	USD11,760,000	-	60.35%
13	Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Manufacture and sale of various container, semi-finished container product and relevant components product and relevant components and maintenance service	USD425,493,400	-	100.00%
14	Beijing JingXin XiangNeng Technology Co., Ltd. ("Beijing Jingxin XiangNeng")	Business entity	Beijing	Beijing	Technology development, business management consulting, import and export of goods, chemical products wholesale	RMB12,240,000	-	51.00%
15	Dongguan Southern CIMC Logistics Equipment Manufacture Co.Ltd. ("DLEM")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Manufacture and sale of various container, semi-finished container product and relevant components product and	RMB600,000,000	-	100.00%
16	Shanghai CIMC vehicle logistics equipment Co., Ltd ("Equipment park")	Business entity	Shanghai	Shanghai	Operation of storage and supporting facilities Property management and related services	RMB90,200,000	-	57.42%
17	Shenzhen CIMC Haigong Investment Co., Ltd ("Haigong Investment")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Marine engineering equipment and ship managementals	RMB1,900,000,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
18	Qianhai Ruiji Technology Co., Ltd ("Qianhai Ruiji Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Technology development in machinery equipment, Technology consulting and sales	RMB8,000,000	-	70.00%
19	Shenzhen Zhongji new material technology development Co., Ltd ("Shenzhen new material")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and sale of various container, semi-finished container product and relevant components product and	RMB30,000,000	-	75.80%
20	CIMC Security Technology Co., Ltd. ("CIMC Security")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Research, production and marketing of fire related products	RMB10,000,000	-	65.02%
21	Qingdao CIMC Chuangying Composite Material Technology ("Qingdao Chuangying")	Business entity	Qingdao Shandong	Qingdao Shandong	Development, manufacture, sale, handling and detect of thermoplastic composites and their	RMB70,000,000	-	80.00%
22	CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. ("XASV")*	Business entity	Xi'an Shanxi	Xi'an Shanxi	Development and production of various, special-use vehicles as well as components and parts; and provision of professional services	RMB50,000,000	-	40.06%
23	C&C Trucks Marketing Service Co., Ltd. ("C&C Marketing Service")*	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery, automobile chassis engine and relevant components and parts	RMB5,000,000	-	41.49%
24	Shenzhen CIMC Sharing Logistics Service Co., Ltd ("Sharing Logistics")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Logistics management services, cloud sharing services	RMB5,000,000	-	70.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
25	CIMC vehicle (Jiangmen) Co., Ltd ("Jiangmen vehicle")*	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	RMB141,220,000	-	41.22%
26	Guangzhou CIMC Container Service Co., Ltd ("Guangzhou Service")*	Business entity	Guangzhou Guangdong	Guangzhou Guangdong	Maintenance and leasing of containers, maintenance of electrical equipments	RMB10,000,000	-	48.00%
27	CIMC Financing and Leasing Co., Ltd. ("CIMC Financing and Leasing")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Finance lease business; disposal and maintenance for residual value of leased property; advisory and warranty for leasing transaction	USD70,000,000	75.00%	25.00%
28	Zhangzhou China Merchants Containers Co.LTD ("Zhangzhou CIMC")	Business entity	Zhangzhou Fujian	Zhangzhou Fujian	Manufacture, repair and sale Containers	USD23,000,000	-	100.00%
29	Zhumadian CIMC Huajun Vehicle Trading Co., Ltd. ("Huajun Vehicle")	Business entity	Zhumadian Henan	Zhumadian Henan	Special purpose vehicle modification, trailer and accessories R & D and manufacturing of box type freight cars	RMB205,340,000	-	57.42%
30	NanTong CIMC Special Logistics Equipment Co. Ltd. ("NTSL")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture and sale of container as well as relevant technical advisory	RMB5,000,000	-	60.35%
31	Hunan CIMC Bamboo Industry Development ("Hunan Woods")	Business entity	Shaoyang Hunan	Shaoyang Hunan	Manufacturing and sale of bamboo and wood product	RMB28,000,000	-	75.80%
32	Shenzhen Jijameiyu Apartment Management Co., Ltd ("Jijameiyu")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Apartment leasing and management Provide operation service for apartment and hotel	RMB3,000,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
33	Jiaxing CIMC Wood Co., Ltd. ("JXW")	Business entity	Jiaxing Zhejiang	Jiaxing Zhejiang	Production and sales of container wood floors, wood products for transport equipments and other wood products	USD5,000,000	-	81.85%
34	CIMC Cold Chain Technology Co., Ltd. ("CIMC Cold Chain Technology")	Business entity	Qingdao Shandong	Qingdao Shandong	Cold chain equipment design, R&D, sales, leasing, logistics services and technical consultation	RMB70,000,000	-	70.00%
35	CIMC commercial factoring Co., Ltd ("CIMC factoring")	Business entity	Tianjin	Tianjin	Trade financing Customer credit investigation and evaluation	RMB77,190,000	-	97.162%
36	Shenzhen intelligent Ocean Engineering Innovation Center Co., Ltd ("Shenzhen intelligent Ocean")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Marine engineering equipment manufacturing	RMN44,500,000	-	76.40%
37	CIMC Shenfa Development Co., Ltd. ("CIMC SD")	Business entity	Shanghai	Shanghai	Investment, construction and operation for infrastructure; real estate development and operation	RMB204,120,000	98.53%	1.47%
38	Shenzhen CIMC Auto parking System Co., Ltd ("CIMC Parking")*	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Autoparking system and equipment sale of products, technology services	RMB30,000,000	-	36.90%
39	CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various various high-tech and high-performance special vehicle and trailer series	RMB1,765,000,000	41.27%	16.15%
40	Xuzhou CIMC Wood Co., Ltd. ("Xuzhou CIMC Wood")	Business entity	Xuzhou Jiangsu	Xuzhou Jiangsu	R & D and sales of new environmental protection materials	RMB15,000,000	-	75.80%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
41	Chuzhou CIMC Wood Co., Ltd. ("Chuzhou CIMC Wood")	Business entity	Chuzhou Anhui	Chuzhou Anhui	Production and sales of container wood floor	RMB40,000,000	-	75.80%
42	CIMC IOT Technology Co., Ltd ("CIMC IOT")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sales of agricultural, forestry, animal husbandry and fishery machinery	RMB150,000,000	-	90.00%
43	Qingdao CIMC intelligent logistics equipment Co., Ltd ("Qingdao CIMC intelligent")	Business entity	Qingdao Shandong	Qingdao Shandong	Production and sales of environmental protection equipment Self owned housing leasing; warehousing services	RMB21,780,000	-	57.42%
44	Shanghai CIMC Ruiji Technology Co., Ltd ("Shanghai Ruiji")	Business entity	Shanghai	Shanghai	Technology development of mechanical equipment	RMB20,000,000	-	70.00%
45	Zhengzhou Jinte logistics automation system Co., Ltd ("Zhengzhou Jinte")*	Business entity	Zhengzhou Henan	Zhengzhou Henan	Develop, research and sell logistics automation equipment	RMB20,000,000	-	45.06%
46	CIMC Yiketong Parts Co., Ltd. ("Yiketong")	Business entity	Shanghai	Shanghai	Trading of containers parts	RMB100,000,000	-	90.00%
47	CIMC Taicang refrigeration equipment logistics Co., Ltd. ("TCCRC")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Research and development, production and sale of reefer container and special container	RMB450,000,000	-	100.00%
48	Jiangmen CIMC intelligent logistics equipment Co., Ltd ("Jiangmen CIMC intelligent")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production and sales of new intelligent logistics machinery and equipment Special vehicle	RMB300,000,000	-	57.42%
49	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd ("QHDV")*	Business entity	Qinhuangdao Hebei	Qinhuangdao Hebei	Sale of car and car components and parts	RMB70,000,000	-	43.06%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
50	Shenzhen Qianhaitong Innovation Metal Material Co., Ltd ("Qianhai Tongchung")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Research and development of new metal material Technical consulting services and product sales	RMB10,000,000	-	74.40%
51	CIMC Architectural Design Institute ("Shenzhen Architectural Design")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Modular architecture design and construction	RMB10,000,000	-	95.00%
52	Shanghai Lifan Container Service Co., Ltd ("Shanghai Lifan")	Business entity	Shanghai	Shanghai	Refitting and maintenance of containers; providing containers information system management and advisory service	RMB1,000,000	-	56.00%
53	CIMC New Environmental Protection Material Co., Ltd ("CIMC Xincai")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of wood products for various modern transportation equipment	RMB130,173,300	-	75.80%
54	CIMC Tongchuang Pujiang (Shanghai) Trading Co., Ltd ("Tongchuang Pujiang")	Business entity	Shanghai	Shanghai	Sales of steel and metal materials Metal products, metallurgical furnace charge	RMB50,000,000	-	74.40%
55	CIMC Finance Company ("Finance Company")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Providing financial service to fellow subsidiaries in the Group	RMB920,000,000	54.35%	31.63%
56	CIMC Transportation Technology Co., Ltd ("Transportation Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Leasing and maintenance of logistics equipment and related accessories	RMB805,570,000	100.00%	-
57	Ningbo MRO Trading Co., Ltd. ("MRO")	Business entity	Ningbo Zhejiang	Ningbo Zhejiang	Production and sales of gas mask and other plastic productions	RMB10,000,000	-	81.82%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
58	CIMC Container Holding Co., Ltd. ("Container Holding")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment and management and related investment business	RMB5,292,830,000	100.00%	-
59	CIMC Tongchuang Changjiang (Zhoushan) Trading Co., Ltd. ("Zhoushan Tongchuang")*	Business entity	Zhoushan Zhejiang	Zhoushan Zhejiang	Investment and holdings	RMB50,000,000	-	44.64%
60	Yantai CIMC Blue Ocean Technology Co., Ltd ("Yantai Blue Ocean")	Business entity	Yantai Shandong	Yantai Shandong	Marine fishery culture, development, design and consulting services of fishery equipment and structure sale of fishery related equipment	RMB50,000,000	-	97.40%
61	Yantai Tiezhongbao steel processing Co., Ltd ("Yantai Tiezhongbao")	Business entity	Yantai Shandong	Yantai Shandong	R&D, manufacturing leg structure; sales of products	USD9,150,200	-	65.00%
62	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Production and sales of various special-use vehicles and engineering machinery	RMB158,000,000	-	70.06%
63	Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB300,000,000	-	57.42%
64	CIMC Modern Logistic Development Co., Ltd. ("Modern Logistic")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB1,088,190,000	80.00%	-
65	Shenzhen Three HuaZhuoYue Investment ("Three HuaZhuoYue")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB30,000,000	-	70.06%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
66	Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. ("Shenzhen CIMC Tongchuang")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB200,000,000	-	74.40%
67	Shenzhen CIMC Cold Chain Technology Co., Ltd. ("Shenzhen CIMC Cold Chain Technology")*	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Cold chain equipment design, R&D, sales, leasing, logistics services and technical consultation	RMB20,000,000	-	48.00%
68	Shenzhen CIMC special car Co., Ltd. ("CIMCSV")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various special-use vehicles, as well as relevant components and parts	RMB450,000,000	-	57.42%
69	CIMC Kaitong Logistics Development Co. Ltd. ("CIMC Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB150,000,000	-	53.60%
70	Jiangsu Kaitong Shipping Co. Ltd. ("Jiangsu Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	53.60%
71	CIMC Jixin logistics development co. LTD ("CIMC Jixin")	Business entity	Shanghai	Shanghai	Logistic Service	RMB100,000,000	-	80.00%
72	CIMC Kaitong Jiangsu International Multimodal Transport Co., Ltd ("Kaitong Jiangsu International Multimodal Transport")*	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	34.84%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
73	CIMC Vehicle Europe Coöperatief U.A. (" Vehicle Europe Coöperatie U.A. ")	Business entity	Netherlands	Netherlands	Sales of Vehicle	USD50,000	-	57.42%
74	Mangrove Capital Limited (" Mangrove Capital ")	Business entity	Hong Kong China	Hong Kong China	Financial Services	HKD2,000,000	-	55.00%
75	CIMC Holdings (B.V.I.) Limited (" CIMC BVI ")	Business entity	B.V.I	B.V.I	Investment holding	USD500,000,000	-	100.00%
76	Powerlead Holdings Ltd (" Powerlead Holdings ")	Business entity	B.V.I	B.V.I	Financial Leasing	USD10	-	100.00%
77	CIMC Vehicle Investment Holdings Co., Ltd. (" CIMC Vehicle BVI ")	Business entity	B.V.I	B.V.I	Investment holding	USD1	-	57.42%
78	PERFECT VICTOR INVESTMENTS (" Perfect victor investments ")	Business entity	B.V.I	B.V.I	Financial Leasing	USD10	-	100.00%
79	Charm Wise Limited (" Charm Wise ")	Business entity	Hong Kong China	Hong Kong China	Investment holding	USD50,000	-	100.00%
80	CIMC Air Marrel SAS (" Air Marrel ")*	Business entity	France	France	Aviation equipment	EUR1,200,000	-	48.91%
81	China International Marine Containers (Hong Kong) Limited (" CIMC Hong Kong ")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD2,000,000	100.00%	-
82	Verbus International Limited (" Verbus ")	Business entity	UK	UK	Holding company	GBP1,108	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
83	CIMC Financial Leasing (HK) Co Ltd. ("Financial Leasing (HK)")	Business entity	Hong Kong China	Hong Kong China	Financial leasing	USD70,510,000	-	100.00%
84	CIMC Offshore Holdings Limited ("CIMC Offshore")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD2,234,855,000 & USD50,510,000	-	85.00%
85	Hong Kong CIMC Tianda Airport Support Ltd. ("TAS Hong Kong")**	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD1,000,000	-	49.20%
86	Effective Time Investments Limited ("EFFECTIVE TIME")	Business entity	B.V.I	B.V.I	Investment holding	USD1	-	100.00%
87	CIMC Vehicles (Bahrain) Factory WLL ("Bahrain CIMC")*	Business entity	Bahrain	Bahrain	Vehicle equipment services	KWD565,000	-	40.19%
88	CIMC MBS Hong Kong Limited ("MBS (HK)")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD50,000	-	100.00%
89	CIMC FORTUNE HOLDINGS LIMITED ("Fortune")	Business entity	Hong Kong China	Hong Kong China	Financial Services	USD10,000,000	100.00%	-
90	Vanguard National Trailer Corporation ("Vanguard")	Business entity	USA	USA	Sales of Vehicles	USD10	-	57.42%
91	CIMC TGE GAS INVESTMENT SA ("TGE SA")	Business entity	Luxembourg	Luxembourg	Investment holding	EUR50,000	-	60.00%
92	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transport equipment	GBP 100	-	57.42%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through combination under common control

(3) Subsidiaries acquired through combinations under non-common control

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
1	Luoyang CIMC Lingyu Automobile CO., LTD. ("LYV")*	Business entity	Luoyang Henan	Luoyang Henan	Production and sales of passenger car, tank car; machining; operation of import and export business	RMB122,745,700	-	41.03%
2	Wuhu CIMC Ruijiang Automobile CO LTD ("WHVS")*	Business entity	Wuhu Anhui	Wuhu Anhui	Development, production and sales of various special vehicles, ordinary mechanical products and metal structure parts	RMB209,790,000	-	38.89%
3	Liangshan Dongyue Vehicle Co., Ltd. ("LSDYV")*	Business entity	Liangshan Shandong	Liangshan Shandong	Production and sales of mixing truck, special vehicle and components and parts	RMB90,000,000	-	40.25%
4	Qingdao CIMC Container Manufacture Co., Ltd ("QDCC")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and repair of container, processing and manufacture of various mechanical parts, structures and equipment	USD27,840,000	-	100.00%
5	Qingdao CIMC Reefer Container Manufacture Co., Ltd ("QDCRC")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and heat preservation car; providing maintenance service	USD86,846,680	-	100.00%
6	Shanghai CIMC Baowell Industries Co. Ltd ("SBWI")	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant	USD28,500,000	-	94.74%
7	CIMC Vehicles (Shandong) Co. Ltd. ("KGR")*	Business entity	Zhangqiu Shandong	Zhangqiu Shandong	Development and manufacture of special cars and other series products	USD18,930,100	-	49.96%
8	China Fire Safety Enterprise Group Limited ("China Fire Safety")*	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD1	-	49.20%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
9	Qingdao Lida Chemical Co., Ltd. ("Qingdao Lida Chemical")	Business entity	Shandong	Shandong	Manufacture and sale of sealant products. Production and sales of rubber parts, plastic parts and waterborne coatings	RMB30,000,000	-	53.06%
10	Qingdao CIMC New Material Co., Ltd. ("Qingdao Xincai")	Business entity	Shandong	Shandong	Manufacture and sale of plastic and rubber parts, and metal construction Development of container parts	RMB6,000,000	-	53.06%
11	Hong Kong Hongji Containers Development Co. Ltd. ("Hongji Hong Kong")	Business entity	Hong Kong	Hong Kong	Financial services	HKD8,380,000	-	51.00%
12	Donghua Container Transportation Service Co., Ltd. ("DHCTS")	Business entity	Shanghai	Shanghai	Container cargo devanning, vaning; canvass for cargo; allotment and customs declaration; container maintenance and stockpiling; supply of components	USD4,500,000	-	56.00%
13	Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture and sale of reefer container and special container; providing relevant technical advisory and maintenance service	RMB236,920,000	-	75.00%
14	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Business entity	Tianjin	Tianjin	Container and cargo Distribution, freight and repair	USD51,950,000	-	60.00%
15	Xiamen Hongxin Berg Leasing Co. Ltd. ("Hongxin Berg")	Business entity	Xiamen Fujian	Xiamen Fujian	Financial leasing and leasing business	USD21,300,000	-	51.00%
16	Tianjin Zhenhua International Logistics Co. Ltd. ("Zhenhua IL")	Business entity	Tianjin	Tianjin	Non-vessel carrier, freight agent	RMB133,970,000	-	60.00%
17	Brigantine Services(Shenzhen). Co.,Ltd. ("Shenzhen Brigantine")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Provides a container and ship repair services and related technical	HKD7,500,000	-	56.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
18	Brigantine Services (Shanghai) Co., Ltd. (" Shanghai Brigantine ")	Business entity	Shanghai	Shanghai	Container ship and its parts, mechanical repair, maintenance services	USD510,000	-	56.00%
19	C&C Trucks Marketing Service Co., Ltd. (" C&C Marketing Service ")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery, automobile chassis engine and relevant components and parts	RMB500,000,000	-	70.06%
20	Jiajing Technology Co., Ltd. (" Jiajing Technology ")	Business entity	Wuhu Anhui	Wuhu Anhui	Industrial design and new technology development mainly about automobile and its accessories	RMB10,000,000	-	70.06%
21	Yantai CIMC Raffles offshore Ltd. (" CIMC Raffles ")	Business entity	Yantai Shandong	Yantai Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	RMB2,291,190,000	-	83.20%
22	C&C Trucks Co., Ltd. (" C&C Trucks ")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery,	RMB1,570,000,000	70.06%	-
23	Anhui FeiCai (Group) co., LTD (" Anhui FeiCai (Group) ")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Manufacture and sale of agricultural vehicles agricultural machinery and relevant accessories	RMB158,000,000	-	70.06%
24	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (" YZTH ")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB434,300,800	-	57.42%
25	Yangzhou Taili Special Equipment Co., Ltd. (" Yangzhou Taili ")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, fix and sale of containers	RMB70,000,000	-	100.00%
26	Tianjin Hongxin Berg Leasing Co.Ltd. (" Tianjin Hongxin Berg ")	Business entity	Tianjin	Tianjin	Financial Services	RMB300,000,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. EQUITY IN SUBSIDIARIES (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
27	Brigantine International Holdings Limited (" Brigantine International Holdings ")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD10,000,000	-	56.00%
28	Brigantine Services Limited (" Hong Kong Brigantine Services ")	Business entity	Hong Kong China	Hong Kong China	Container repair and renovation, container trade	HKD5,000,000	-	56.00%
29	Albert Ziegler GmbH (" Ziegler ")*	Business entity	Germany	Germany	Marine engineering design	EUR13,543,000	-	49.20%
30	CIMC Raffles Offshore(Singapore) Limited (" Offshore (Singapore) ")	Business entity	Singapore	Singapore	Production of various ship for offshore oil and gas, including jack-up drilling platforms, semi-submersible drilling Platforms, FPSOs, FSOs	SGD 594,416,915 & USD453,993,377	-	85.00%
31	Pteris Global Ltd (" Pteris ")*	Business entity	Singapore	Singapore	Investment holding	SGD 104,781,000	-	48.91%
32	Enric Energy Equipment Holdings Limited (" Enric ")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	-	68.18%

* The Group has more than half of the voting rights on the company's board of directors, which can be controlled and included in the scope of consolidation of the group.

** As of December 31, 2020, the convertible bonds of CIMC Tianda held by sharp vision, a subsidiary of the Group, can be exercised at any time. After the exercise, the group has more than half of the voting rights in the shareholders' meeting of CIMC Tianda, and the group has more than half of the voting rights in the board of directors of CIMC Tianda. Therefore, CIMC Tianda and its subsidiaries are included in the consolidation scope of the group (note XIII. 2)

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests

	Minority interests	Net Profit attribute to minority interests in 2020	Dividends distributed to minority interests in 2020	Grand total minority interests on 31 December 2020
Enric	31.82%	161,748	119,527	2,507,802
CIMC Offshore	15.00%	(394,684)	–	1,174,320
CIMC Vehicles	42.58%	564,408	461,649	4,728,384
CIMC TianDa	50.80%	259,465	21,448	2,126,101

Core financial information of aforementioned significant but not wholly-owned subsidiaries are as follows:

	As at 31 December 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Enric	11,227,725	4,846,995	16,074,720	7,651,065	952,297	8,603,362
CIMC Offshore	24,958,288	10,105,300	35,063,588	37,053,839	1,322,726	38,376,565
CIMC Vehicles	12,965,531	6,859,629	19,825,160	8,558,978	817,483	9,376,461
CIMC TianDa	6,706,675	2,764,496	9,471,171	4,678,093	1,025,473	5,703,566

	As at 31 December 2019					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Enric	11,118,857	4,781,176	15,900,033	7,397,817	1,117,705	8,515,522
CIMC Offshore	25,495,553	11,400,658	36,896,211	38,810,318	1,704,107	40,514,425
CIMC Chancheng	22,352,771	5,732,382	28,085,153	12,606,452	7,668,513	20,274,965
CIMC TianDa	6,790,635	2,901,692	9,692,327	5,442,522	731,366	6,173,888
CIMC Vehicles	12,362,552	6,318,532	18,681,084	8,121,175	339,235	8,460,410

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests (continued)

	2020			
	Revenue	Net profit/ (loss)	Total Comprehensive income	Cash flows from operating activities
Enric	12,289,567	566,208	537,708	969,924
CIMC Offshore	5,095,821	(2,033,899)	(2,121,522)	(202,693)
CIMC Vehicles	26,498,965	1,269,347	1,141,201	2,746,938
CIMC TianDa	6,089,581	323,949	494,096	692,476
	2019			
	Revenue	Net profit/ (loss)	Total Comprehensive income	Cash flows from operating activities
Enric	13,743,019	901,405	884,181	861,545
CIMC Offshore	4,324,335	(1,260,684)	29,909	11,968
CIMC Chancheng	1,435,996	697,950	949,987	(7,321,307)
CIMC TianDa	5,957,661	244,062	285,420	393,923
CIMC Vehicles	23,220,206	1,326,461	1,387,999	1,845,804

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VI. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(5) Significant transaction with non-controlling interests in current year

- (i) On August 6, 2020, CIMC Chancheng signed the capital increase agreement with CIMC Shenfa, Dongfang Tianyu, Chang'an trust and Country Garden. This part of the capital increase includes the corresponding capital increase of Country Garden in order to maintain its original 25% shareholding ratio after Country Garden injected Qianhai project into CIMC Chancheng. The increase of the capital is RMB979,049,000. The difference between its capital increase of RMB979,049,000 and the corresponding minority shareholders' equity shall be adjusted to increase the capital reserve to an amount of RMB602,115,000.
- (ii) On July 21, 2020, the company signed an equity transfer agreement with Shanghai Taifu Xiangzhong equity investment fund partnership (limited partnership) and Xiangshan Huajin industrial investment partnership (limited company), the minority shareholder of CIMC, to transfer part of the equity of CIMC. After the completion of the equity transfer, the direct shareholding proportion of CIMC vehicles increased from 37.67% to 41.27%. The capital reserve shall be offset by the difference between the consideration of RMB431,756,000 and the book value of the net assets corresponding to the equity of RMB88,020,000.
- (iii) In June 2020, modern logistics and Jizhi Gongchuang (Tianjin) enterprise management consulting partnership (limited partnership) ("**Jizhi Gongchuang**") signed an equity transfer agreement, in which Jizhi Gongchuang invested RMB291,230,000 to obtain 20% equity of modern logistics. As of December 31, 2020, Jizhi Gongchuang has invested RMB209,079,000 and the difference between the book value of net assets and the equity transferred by modern logistics is RMB40,261,000 to offset the capital reserve.
- (iv) On August 7, 2020, Areco signed an equity transfer agreement with the minority shareholders of Harbin Shenleng, which agreed to purchase 25% of the minority shareholders' equity of Harbin Shenleng, and paid a consideration of RMB21,875,000. The difference between the book value of the book net assets and the Transferred Equity was RMB16,657,000 to increase the capital reserve.
- (v) In November 2020, modern logistics signed an equity transfer agreement with Jiangsu Tianhe Investment Management Co., Ltd., a minority shareholder of its subsidiary CIMC Kaitong Logistics Development Co., Ltd. ("**Kaitong logistics**"), to purchase 16% of its equity in Kaitong logistics. The consideration for the transfer is RMB59,760,000 in cash and RMB20,000,000 in performance award. The difference between the consideration transferred and the book value of net assets transferred by Kaitong is RMB43,991,000, which is used to offset the capital reserve.

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VI. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

	Main Premises	Registration Place	Nature of business	Strategic for the Group or not	Shareholding percentage - Direct	Shareholding percentage - Indirect
Joint ventures -						
Y&C Engine	Wuhu Anhui	Wuhu Anhui	Manufacture and sales of heavy-duty engines and components and parts	Yes	-	50.00%
Wangyue Investment	Shenzhen Guangdong	Shenzhen Guangdong	Entrusted asset management Investment management	Yes	-	50.44%
Associates -						
CIMC Chancheng	Shenzhen Guangdong	Shenzhen Guangdong	Real estate	Yes	-	34.44%-62.14%
Zhoushan Changhong	Zhoushan Zhejiang	Zhoushan Zhejiang	Maintenance of ship	No	-	24.91%

The equity mentioned above is measured by equity method.

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VI. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in associates and joint ventures (Continued)

(2) Core financial information of major joint venture

	Y&C Engine	
	31 December 2020	31 December 2019
Cash at bank and on hand	224,300	238,832
Other current assets	1,222,733	946,417
Total current assets	1,447,033	1,185,249
Total non-current assets	721,543	713,132
Total assets	2,168,576	1,898,381
Current liabilities	1,296,363	1,292,901
Non-current liabilities	380,501	69,128
Total liabilities	1,676,864	1,362,029
Minority shareholders' equity	-	-
Total equity attributable to shareholders of the Company	491,712	536,352
Share holding ratio	50%	50%
Net assets proportion calculated by shareholding ratio (i)	245,856	268,176
Carrying amount of equity investment in the joint ventures	245,856	268,176

	Y&C Engine	
	2020	2019
Revenue	3,125,978	2,338,512
Financial costs	41,382	26,763
Income tax expenses	-	9,212
Net (losses)/profits	(44,640)	52,201
Other comprehensive income	-	-
Total comprehensive income	(44,640)	52,201
Dividends received from the joint ventures this year	-	-

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VI. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in associates and joint ventures (Continued)

(2) Core financial information of major joint venture (Continued)

	Wangyue Investment
	31 December 2020
Cash at bank and on hand	113,722
Other current assets	-
Total current assets	113,722
Total non-current assets	235,930
Total assets	349,652
Current liabilities	1,688
Non-current liabilities	-
Total liabilities	1,688
Minority shareholders' equity	-
Total equity attributable to shareholders of the Company	344,964
Share holding ratio	50%
Net assets proportion calculated by shareholding ratio (i)	173,990
Carrying amount of equity investment in the joint ventures	173,990
	Wangyue Investment
	2020
Revenue	-
Financial costs	(5,647)
Income tax expenses	-
Net profits	1,964
Other comprehensive income	-
Total comprehensive income	1,964
Dividends received from the joint ventures this year	-

- (i) The group calculates the asset share according to the shareholding ratio based on the amount attributable to the parent company in the consolidated financial statements of joint ventures. The amount in the consolidated financial statements of the joint venture takes into account the fair value of the identifiable assets and liabilities of the joint venture at the time of obtaining the investment and the influence of unified accounting policies.

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VI. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in associates and joint ventures (Continued)

(3) Core financial information of major associates

	<u>CIMC Chancheng</u>	<u>Zhoushan Changhong</u>	
	31 December 2020	31 December 2020	31 December 2019
Cash at bank and on hand	2,836,198	547,892	662,364
Other current assets	29,518,659	2,218,567	1,818,130
Total current assets	32,354,857	2,766,459	2,480,494
Total non-current assets	12,652,573	4,379,918	4,426,352
Total assets	45,007,430	7,146,377	6,906,846
Current liabilities	20,597,658	6,106,777	348,845
Non-current liabilities	11,904,567	-	5,690,292
Total liabilities	32,502,225	6,106,777	6,039,137

	<u>CIMC Chancheng</u>	<u>Zhoushan Changhong</u>	
	31 December 2020	31 December 2020	31 December 2019
Minority shareholders' equity	4,918,641	-	-
Total equity attributable to shareholders of the Company	7,586,563	1,039,600	867,709
Adjustments according to fair value of net identifiable assets and goodwill	12,923,860	-	-
Total equity attributable to shareholders of the Company (adjusted)	20,510,423	1,039,600	867,709
Share holding ratio	34.44%-62.14%	24.91%	24.91%
Net assets portion calculated by share holding ratio (i)	7,161,158	258,964	216,146
Carrying amount of equity investment in the associates	7,161,158	330,700	228,246

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VI. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in associates and joint ventures (Continued)

(3) Core financial information of major associates (continued)

	CIMC Chancheng	Zhoushan Changhong	
	November- December 2020	2020	2019
Revenue	129,487	2,570,165	1,113,493
Net profits/(losses)	655,847	166,415	(38,829)
Other comprehensive income	-	-	-
Total comprehensive income	655,847	166,415	(38,829)
Dividends received from the associates this year	-	-	-

- (i) The Group calculated the portion of assets by shareholding ratio, on the basis of the amount attributable to the Company in consolidated financial statements of the associates. The amount in consolidated financial statements of associates takes the fair value of assets and liabilities of the associates, and the effects of the uniform accounting policies into consideration.

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VI. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in associates and joint ventures (Continued)

(4) Summary of information of insignificant associates and joint ventures

	2020	2019
Joint ventures:		
Total carrying amount of investments on 31 December 2020	594,987	439,554
Sub-total amount of the following items calculated in the Group's equity proportion in joint ventures:		
Net profits (i)	14,932	32,413
Other comprehensive income (i)	–	–
Total comprehensive income	14,932	32,413
Associates:		
Total carrying amount of investments on 31 December 2020	738,393	1,001,513
Sub-total amount of the following items calculated in the Group's equity proportion in joint ventures:		
Net profits/(losses) (i)	289,158	(175,730)
Other comprehensive income (i)	(7,925)	–
Total comprehensive income	281,233	(175,730)

(i) The amount of net profit and other comprehensive income takes the fair value of identifiable assets and liabilities, and the effects of the uniform accounting policies into consideration.

(5) Excess deficit of associates and joint ventures

There are no excess deficit of associates or joint ventures in 2020.

VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

There is no equity of the structured body not included in the consolidation range of the consolidated financial statements.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Company does not have any holding company.
2. For the information on the subsidiaries of the Company, refer to Note VI.1.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the important the joint ventures and associates have been disclosed in to Note VI, the rest of joint ventures and associates are as follows:

	Main place of business	Registered Address	The nature of the business	The Group activity is strategic	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures -						
NKY Zhenhua	Tianjin	Tianjin	Logistic services	No	-	51.00%
Xinghuo Chelian	Shenzhen	Shenzhen	information technology	No	-	28.00%
Jiangsu Wheel Bearing	Zhengjiang	Zhengjiang	Vehicle production	No	-	42.67%
Shenzhen CIMC Tianyi Investment(i)	Shenzhen	Shenzhen	Investment holding	No	-	55.00%
Associates -						
Nantong New Atlantic	Nantong	Nantong	Environmental protection board business	No	-	20.00%
Xinyang Wood	Hongkong	Hongkong	Wood industry	No	-	20.00%
Senju Jiangmen	Jiangmen	Jiangmen	Material production	No	-	20.00%
Xuzhou CIMC Wood	Xuzhou	Xuzhou	Wood industry	No	-	35.00%
Qingchen bamboo industry	Fujian	Fujian	Bamboo industry	No	-	30.00%
Ningbo Mediterranean	Ningbo	Ningbo	Container services	No	-	49.00%
Qingdao Ganglianhua	Qingdao	Qingdao	Logistic services	No	-	40.00%
Tianzhu International	Shanghai	Shanghai	Logistic services	No	-	30.00%
Xiamen CIMC Haitou	Xiamen	Xiamen	Logistic services	No	-	45.00%
Shitie Special Goods	Beijing	Beijing	Logistic services	No	-	20.00%
Zhejiang Xinlong	Zhejiang	Zhejiang	Bamboo industry	No	-	30.00%
CMIC Ocean (ii)	Houston	Caymans	Onshore and offshore drilling platform operations	Yes	-	6.05%

(i) Tianyi Equity Investment Management contains two partners, the group acts as a limited partner. The day-to-day decision-making vote is made by one partner, one vote and passed by more than half of all partners. Therefore, the Group regards it as a joint venture for subsequent measurement using the equity method, refer to Note IV.17 for details

(ii) The Group's investment in Ocean En-Tech is less than 20%. However, since the Group has appointed directors in the company, the Group believes that it can exert significant influence on the company. Therefore, the Group regards it as an associate for subsequent measurement based on the equity method, refer to Note IV.17 for details.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Information of other related parties

Company Name	Connection relationship
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Orient International Container (Lianyungang) Co., Ltd. ("Orient International (Lianyungang)")	Subsidiary of former significant shareholder
Guangdong Excellent Landscape	Minority shareholder of former subsidiary
Orient International Container (Jinzhou) Co., Ltd. ("Orient International (Jinzhou)")	Subsidiary of former significant shareholder
Florens Container Investment (SPV) Limited ("FCI")	Subsidiary of former significant shareholder
Orient International Container (Guangzhou) Co., Ltd. ("Orient International (Guangzhou)")	Subsidiary of former significant shareholder
Florens Asset	Subsidiary of former significant shareholder
Orient Overseas Container Line Ltd. ("OOCL")	Subsidiary of former significant shareholder
Asahi Trading	Minority shareholder of subsidiary
Guangdong Longyue Construction Engineering Co., Ltd. ("Guangdong Longyue Construction")	Minority shareholder of former subsidiary
Guangdong Teng'an Mechanical and Electrical Installation Engineering Co., Ltd. ("Guangdong Teng an")	Minority shareholder of former subsidiary
Wide Shine Development Limited ("Wide Shine Development")	Subsidiary of significant shareholder
Huanyu Oriental International Container (Ningbo) Co., Ltd. ("Huanyu Oriental International (Ningbo)")	Subsidiary of former significant shareholder
Huanyu Oriental International Container (Qingdao) Co., Ltd. ("Huanyu Oriental International (Qingdao)")	Subsidiary of former significant shareholder
Huanyu Oriental International Container (Qidong) Co., Ltd. ("Huanyu Oriental International (Qidong)")	Subsidiary of former significant shareholder
Huanyu Dongfang International	Subsidiary of former significant shareholder
Shenzhen Shekou New Times Real Estate Management Co., Ltd. ("Shekou Real Estate")	Subsidiary of significant shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd. ("CMSK")	Subsidiary of significant shareholder
Shenzhen Weixin	Minority shareholder of former subsidiary
Yangzhou Jizhi	As an associate from the beginning of the reporting period to October 2020
Runyu Real Estate	As an associate from the beginning of the reporting period to October 2020
Ningguo Guangshen	As an associate from the beginning of the reporting period to August 2020

Notes:

- (i) Significant shareholders refer to shareholders who hold more than 5% (including 5%) of the Company's shares. On October 12, 2020, the Company's shareholder COSCO Shipping Development Co., Ltd. and its subsidiaries signed a share transfer agreement with Shenzhen Capital Holdings Co., Ltd. and its subsidiaries. On December 18, 2020, the share transfer was completed. Since then, COSCO SHIPPING Development Co., Ltd. and its subsidiaries are no longer important shareholders of the Company.
- (ii) On October 26, 2020, the Group lost control of CIMC Chancheng, and its minority shareholder Country Garden Holdings Group and its subsidiaries have ceased to be related parties of the Group, refer to Note V. 2 for details

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements

(1) Purchase of goods and receiving of services

Related party name	2020	2019
– Purchase of goods		
Y&C Engine	429,454	565,953
Asahi Trading	156,007	–
Qingchen Bamboo Industry	92,118	81,040
Jiangsu Wanjing	90,125	29,426
Zhejiang Xinlong	50,082	82,306
Ningguo Guangshen	26,517	77,383
Xuzhou CIMC Wood	14,491	34,343
Xinghuo Chelian	783	691
Other related parties	37,297	558
	896,874	871,700
– Receiving of services		
Guangdong Longyue Construction	23,005	–
Guangdong Teng an	17,028	–
Tianzhu International	15,035	7,939
Ningbo Mediterranean	14,480	20,619
Ocean En-Tech	13,636	10,426
Qingdao Ganglianhua	9,892	13,028
Tianyi Equity Investment Management	2,102	4,311
Guangdong Excellent Landscape	–	1,976
Other related parties	5,134	342
	100,312	58,641

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

Related party name	2020	2019
–Sale of goods		
SUMITOMO CORPORATION	136,136	99,953
Zhoushan Changhong	124,988	244,487
Jiangsu Wanjing	38,211	12,130
Huanyu Oriental International (Ningbo)	28,580	3,429
Wide Shine Development	22,336	–
Orient International (Guangzhou)	14,155	5,813
Zhejiang Xinlong	12,595	19,402
Y&C Engine	12,468	9,763
Orient International (Lianyungang)	10,662	19,303
NKY Zhenhua	6,972	9,031
Orient International (Jinzhou)	6,390	13,743
Huanyu Oriental International (Qingdao)	4,974	–
Huanyu Oriental International (Qidong)	3,654	–
Xiamen CIMC Haitou	3,150	7,150
Ningbo Mediterranean	1,662	1,586
OOCL	–	45,345
FCI	–	126
Other related parties	7,470	40,715
	434,403	531,976
–Rendering of services		
Tianzhu International	42,392	51,570
NKY Zhenhua	27,179	27,341
Ningbo Mediterranean	8,225	9,031
Cosco Container	2,314	–
Shitie Special Goods	1,930	4,505
Qingdao Ganglianhua	1,758	4,863
Other related parties	19,218	9,178
Sub-total	103,016	106,488

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(3) Leasing

The short-term lease income recognized by the group as the lessor in the year:

Lessee's name	Types of leased assets	2020	2019
Ocean En-Tech	Jack-up drilling platform	153,651	13,004
Qingdao Ganglianhua	Container Yard	5,770	6,982
Shitie Special Goods	Real estate	861	–
		160,282	19,986

The financial lease income recognized by the Group as the lessor in the year:

Lessee's name	Types of leased assets	2020	2019
New Horizon Shipping UG	Ship	49,397	50,413
Hongxin Venture Workshop	Commercial factoring	3,065	–
Zhongyi Xinwei	Energy equipment	1,315	1,784
LiHua Energy	Energy equipment	3	14
		53,780	52,211

The Group's increased right-of-use assets as lessee in the current year:

Lessor's name	Types of leased assets	2020	2019
Shekou Real Estate	Houses and Buildings	5,634	–
CIMC Chancheng and its subsidiaries	Houses and Buildings	4,697	–
Ningguo Guangshen	Machinery	–	776
		10,331	776

The interest expense of the lease liability assumed by the Group as the lessee in the current year:

Lessor's name	2020	2019
Shekou Real Estate	182	47
CIMC Chancheng and its subsidiaries	65	–
	247	47

The short-term lease expenses recognized by the Group as the lessee in the current year:

Lessor's name	2020	2019
Florens Asset	13,010	3,131
CMSK	1,728	1,728
Senju Jiangmen	475	247
Other related parties	312	–
Sub-total	15,525	5,106

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4) Financing

Related party name	Amount	Starting date	Ending date	Interest income earned/interest expense recognized in 2020	Note
Financing received					
Shenzhen Weixin	-	24 August 2018	Repayment date not fixed	33,081	Loans for Proportionate shareholder operation
Country Garden Real Estate and its subsidiaries	-	26 March 2019	Repayment date not fixed	26,302	Loans for Proportionate shareholder operation
	-				
Financing provided					
CIMC Chancheng and its subsidiaries	538,307	31 January 2019	31 January 2022	3,654	Loans for shareholder operation
		25 June 2019	25 June 2022		Loans for shareholder operation
		31 July 2018	20 July 2021		Loans for shareholder operation
		27 March 2018	Repayment date not fixed		Loans for shareholder operation
Xinyang Wood	4,103	20 June 2006	Repayment date not fixed	-	Loans for Proportionate shareholder operation
Yangzhou Jizhi	-	2 August 2019	Repayment date not fixed	26,265	Loans for shareholder operation
Nantong Xinyang	-	12 August 2019	20 February 2020	478	Loans for shareholder operation
Runyu Real Estate	-	31 December 2012	Repayment date not fixed	1,980	Loans for Proportionate shareholder operation
Country Garden Real Estate and its subsidiaries (i)	-	10 August 2018 1 January 2020	Repayment date not fixed 15 April 2021	38,431	Loans for Proportionate shareholder operation Loans for shareholder operation
	542,410				

- (i) On October 26, 2020, the Group lost control of CIMC Chancheng and its subsidiaries, and the balance of the related party funds of Country Garden Real Estate and its subsidiaries from the original CIMC Chancheng and its subsidiaries no longer It is reflected in the consolidated financial statements of the Group.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5) Other related party transactions

- (i) The Company adopted a new share options scheme since 28 September 2010 (see Note IX). The Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. has reviewed and confirmed that the Company has completed the cancellation of expired stock options on November 19, 2020 (see Note IX). As of December 31, 2020, key management personnel have no outstanding options.

Some key management personnel were not only granted the above share options of the Company but also were granted share options of Enric, the subsidiary of the Company. Details of unexercised share options granted to key management personnel as at 31 December 2020 are as follows:

Name	Position	Number of granted share options (in'0000)
Gao Xiang	Executive director, Chairman	90
Yu Yuqun	Vice Chairman, Secretary of the Board and Company Secretary	60
Total		150

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) *Emoluments of the directors, supervisor and senior management of the Company*

Directors' and key management personnel's emoluments for the year ended 31 December 2020 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total	
		Salary and allowance	Pension	Bonus	Others		
Directors							
Mai Boliang	-	3,180	34	6,400	448	10,062	
Wang Hong	Note(i)	-	-	-	-	-	
Hu Xianfu		-	-	-	-	-	
Liu Chong		-	-	-	-	-	
Deng Weidong	Note(ii)	-	-	-	-	-	
Ming Dong		-	-	-	-	-	
Gao Xiang	Note(ii)	-	1,839	101	2,100	32	4,072
He Jiale	240	-	-	-	-	240	
Pan Zhengqi	240	-	-	-	-	240	
Lv Fengmeiyi	240	-	-	-	-	240	
Sub-total	720	5,019	135	8,500	480	14,854	

Note (i): On 27 August 2020, the term of office of Mr. Wang Hong's board of directors expired. Upon resolution of the 12th meeting of the ninth board of directors in 2020, the current chairman of the ninth board of directors of the Company, Mr. Wang Hong, resigned as chairman of the Company. Mr. Wang Hong ceased to serve as a director of the Company.

Note (ii): On October 9, 2020, Mr. Deng Weidong was elected as a non-executive director of the ninth session of the board of directors by the resolutions of the first A-share general meeting of the Company in 2020 and the first H-share general meeting of 2020. Mr. Gao Xiang is the ninth executive director.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) *Emoluments of the directors, supervisor and senior management of the Company (Continued)*

Directors' and key management personnel's emoluments for the year ended 31 December 2020 are as follows (Continued):

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors						
Lin Feng	-	-	-	-	-	-
Lou Dongyang	-	-	-	-	-	-
Xiong Bo	-	246	-	217	-	463
Sub-total	-	246	-	217	-	463

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Other Senior Executives						
Li Yinhui	-	1,434	98	1,172	32	2,736
Huang Tianhua	-	1,419	101	3,000	32	4,552
Yu Yuqun	-	1,476	35	2,200	32	3,743
Zeng Han	-	1,203	82	2,162	32	3,479
Sub-total	-	5,532	316	8,534	128	14,510
Total	720	10,797	451	17,251	608	29,827

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors' and key management personnel's emoluments for the year ended 31 December 2019 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Directors						
Wang Hong	-	-	-	-	-	-
Liu Chong	-	-	-	-	-	-
Mai Boliang	-	3,180	67	5,760	444	9,451
Hu Xianfu	-	-	-	-	-	-
Ming Dong	Note(i)	-	-	-	-	-
Wang Yuhang	Note(ii)	-	-	-	-	-
Pan Zhengqi	240	-	-	-	-	240
He Jiale	Note(i)	140	-	-	-	140
Lv Fengmeiyi	Note(i)	140	-	-	-	140
Pan Chengwei	Note(ii)	100	-	-	-	100
Wang Guixun	Note(ii)	100	-	-	-	100
Sub-total	720	3,180	67	5,760	444	10,171

Note (i): On 2 June 2019, approved by the Company's General Meeting of Shareholders in 2018, 2nd General Meeting of Shareholders of A-share and 2nd General Meeting of Shareholders of H-share in 2019, Mr. Ming Dong was appointed to be the Non-executive Director of the 9th board of directors, Mr. He Jiale and Ms. Lv Fengmeiyi were appointed to be the Independent Non-executive Director of the 9th board of directors.

Note (ii): On 27 March 2019, approved by the 3rd Meeting of the 8th session of the board of directors in 2019, after the term of office of 8th board of directors expiration, Mr. Wang Yuhang would cease to be the Non-executive director of the Company, Mr. Pan Chengwei and Mr. Wang Guixun would cease to be the Independent Non-executive Director of the Company. On 2 June 2019, the term of office of Mr. Wang Yuhang, Mr. Pan Chengwei and Mr. Wang Guixun expired.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors' and key management personnel's emoluments for the year ended 31 December 2019 are as follows (Continued):

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors						
Lin Feng	-	-	-	-	-	-
Lou Dongyang	Note(iii)	-	-	-	-	-
Xiong Bo	-	326	13	164	5	508
Wang Hongyuan	Note(iv)	-	-	-	-	-
Sub-total	-	326	13	164	5	508

Note (iii): On 2 June 2019, Approved by the Company's General Meeting of Shareholders in 2018, 2nd General Meeting of Shareholders of A-share and 2nd General Meeting of Shareholders of H-share in 2019, Mr. Lou Dongyang was appointed to be the Shareholder Representative Supervisor of the 9th Board of Supervisors.

Note (iv): On 27 March 2019, Approved by the first Meeting of the 8th session of the Board of Supervisors in 2019, after the term of office of 8th session of the Board of Supervisors expiration, Mr. Wang Hongyuan would cease to be the supervisor of the Company. On 2 June 2019, the term of office of Mr. Wang Hongyuan expired.

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Other Senior Executives						
Gao Xiang	-	1,857	131	2,170	29	4,187
Li Yinhui	-	1,444	116	1,442	29	3,031
Huang Tianhua	-	1,419	128	2,064	29	3,640
Yu Yuqun	-	1,476	68	2,190	29	3,763
Zeng Han	-	1,204	95	882	29	2,210
Wu Fapei	Note(v)	332	-	-	-	332
Sub-total	-	7,732	538	8,748	145	17,163
Total	720	11,238	618	14,672	594	27,842

Note (v): On 27 March 2019, Approved by the 3rd Meeting of the 8th session of the board of directors in 2019, Mr. Wu Fapei would cease to be the Vice Chairman of the Company due to the age. On 28 March 2019, the Company appointed Mr. Wu Fapei to be the senior consultant.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) *Emoluments of the directors, supervisor and senior management of the Company (Continued)*

Other benefits mainly consists of housing funds, pensions, medical insurance, etc.

(iii) *Termination benefits for directors*

In 2020, there was no compensation for directors with terminated appointment from the Company and the subsidiaries. (2019: Nil).

(iv) *Consideration paid to third parties for service of directors*

In 2020, there was no consideration paid to third parties for service of directors (2019: Nil).

(v) *Loans, quasi-loans offered and other transactions with directors, legal entities controlled by directors and their related persons*

As at 31 December 2020, there were no loans, quasi-loans and guarantees offered to directors, legal entities controlled by directors and their related persons (31 December 2019: Nil).

(vi) *Significant interest of directors in transactions, arrangement and contracts*

In 2020, the Company did not enter into any agreement that related to the business of the Group, in which the directors have significant interest in transactions, arrangement and contracts directly or indirectly (2019: Nil).

(vii) *Top 5 of the Emoluments*

The top 5 of the emoluments consists 1 director, 1 senior executives. Their emoluments have been reflected in Note VIII. 5(5)ii; the emolument of other 3 staffs is listed as follow:

	2020
Remuneration, bonus, housing and other funds	18,123
Pension	132
	18,255
	Number of people
	2020
Emoluments range: RMB4,500,000–8,500,000	3

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**6. Receivables due from and payables due to related parties**

Refer to Note IV.5 for details of accounts receivables.

Refer to Note IV.7 for details of other receivables.

Refer to Note IV.8 for details of advances to suppliers.

Refer to Note IV.11 for details of current portion of non-current assets.

Refer to Note IV.16 for details of long-term receivables.

Refer to Note IV.31 for details of accounts payables.

Refer to Note IV.33 for details of contract liabilities.

Refer to Note IV.36 for details of other payables.

7. Commitments in relation to related parties

As at 31 December 2020, there are no commitments in relation to related parties contracted for but not yet necessary to be recognized on the balance sheet by the Group.

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IX. SHARE-BASED PAYMENTS

1. Summary of the Group's major share-based payments

Total equity instruments granted during the year	Nil
Total equity instruments exercised during the year	The number of exercised share options granted by the Company and Enric were 10,510,000 and 562,000 respectively this year.
Total equity instruments forfeited during the year	The number of share options ineffective/cancelled in the Company and the number of share options ineffective/obsolete in Enric were 9,553,000 and 1,260,000 respectively this year.
The exercise price of outstanding share options at the end of the year and residual life of the share options contracts	<ol style="list-style-type: none"> Equity-settled share options granted by Enric in 2011 and 2014: HKD2.48 and HKD11.24 per share respectively, the residual life of contract is 2.539 years respectively; Equity-settled share options granted by the Company in 2010 and 2011: RMB7.94 (after adjustment) and RMB12.55 (after adjustment) per share respectively. The contract has all expired this year

Expenses recognized for the year arising from share-based payments are as follows:

	2020	2019
Equity-settled share-based payment	104,495	57,369

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IX. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payment

(1) Information on equity-settled share-based payment of Enric

(a) Share option

Enric carried out another share options plan (the “**Plan II**”), which was approved by the shareholders’ meeting on 28 October 2011. According to Plan II, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees of Enric to subscribe for shares of Enric. The options are 40% exercisable after two years from the date of grant and, 70% exercisable after three years from the date of grant, and then 100% exercisable after four years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,200,000, with exercise price of HKD2.48 per share, and the exercise period was 8 years, 7 years and 6 years respectively.

Enric, a subsidiary of the Company, carried out a share options plan (the “**Plan III**”), which was approved by the shareholders’ meeting on 5 June 2014. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric to subscribe for shares of Enric. The options are 40% exercisable after two years from the date of grant, 70% exercisable after three years from the date of grant and 100% exercisable after four years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,420,000, with the exercise price of HKD11.24 per share, and the exercise period was 8 years, 7 years and 6 years respectively.

Movement of share options of Enric:

	2020 ’000	2019 ’000
Beginning balance	50,456	66,550
Exercised in current period	(562)	(13,434)
Cancelled in current period	–	–
Forfeited in current period	(1,260)	(2,660)
Ending balance	48,634	50,456

The main parameters of the fair value of stock options are listed as follows:

	28 October 2011	5 June 2014
Option exercise price	HKD2.48	HKD11.24
The validity period of the option	10 years	10 years
Current price of the underlying shares	HKD4.64	HKD4.64
Expected stock price volatility	55.98%	45.89%
Estimated dividend rate	2.67%	1.55%
Risk-free interest rate during the validity period of the option	1.57%	2.04%

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IX. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payment (Continued)

(1) Information on equity-settled share-based payment of Enric (Continued)

(b) *Restricted share award scheme (2018)*

The shareholders of Company approved the Restricted Share Award Scheme (2018) (the “**2018 Award Scheme**”) on 10 August 2018 (the “**Grant Date**”). Subsequently 46,212,500 restricted shares were issued and allotted to a trustee which holds the restricted shares on behalf of the selected participants until the restricted shares were vested. Selected participants are entitled to the related distribution derived from the relevant restricted shares during the period from the date of the issue of the restricted Shares to the vesting date (both dates inclusive) of such restricted shares, which shall however only be vested by the relevant selected participant on the vesting date subject to fulfilment of vesting conditions of the restricted shares.

The selected participants include certain directors of the Company, certain members of senior management and employees of the Group who under the terms of the 2018 Award Scheme subscribed for 2018 the restricted shares at HKD3.71 per share (the “**Subscription Price**”). Under the terms of the Award Scheme, if the vesting conditions are fulfilled, the restricted shares shall be vested by 30%, 30% and 40% by April 2019, April 2020 and April 2021, respectively. For the selected participants who do not meet the vesting conditions, the unvested restricted shares remaining at the end of the 2018 Award Scheme are to be forfeited.

Number of restricted shares outstanding	
at the beginning of the year	32,453,750
Restricted shares vested during the year	(13,417,050)
Number of restricted shares outstanding at the end of the year	19,036,700

The fair value of the restricted shares issued was assessed based on the market price of the Company’s shares at the grant date. The expected dividends and time value of money for the expected dividends during the vesting period were taken into account when assessing the fair value of the awarded shares. The weighted average fair value of awarded shares granted during the year ended 31 December 2018 was HKD6.70 per share (equivalent to approximately RMB5.67 per share).

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IX. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payment (Continued)

(1) Information on equity-settled share-based payment of Enric (Continued)

(c) Restricted share award scheme (2020)

The board of directors of Enric, a subsidiary of the Group, adopted the 2020 Share Incentive Plan ("**2020 Incentive Plan**") on April 3, 2020. According to the 2020 reward plan, Enric's board of directors has the sole discretion to select any Enric employee as a qualified participant of the plan. Enric's board of directors can also determine the number of shares to be granted in the future (subject to any unlocking conditions) and the consideration (if any) that eligible participants need to pay. Enric's board of directors has appointed a trustee to use Enric's resources to purchase Enric's shares on the Hong Kong Stock Exchange. The trustee will hold these shares in accordance with the terms of the trust contract and transfer these shares to the relevant participants after the relevant unlocking conditions are fulfilled.

As of December 31, 2020, the trustee has purchased 37,074,000 shares of Enric according to the 2020 award plan, at a price of HKD3.23 to HKD4.25 per share, and paid a total consideration of RMB115,454,000, and the shares have not been granted to any employees.

(d) Share award plan of CIMC Safe Tech. (2020)

Enric's board of directors approved CIMC Safe Tech's share award plan ("**CIMC Safe Tech's incentive plan**") on November 27, 2020, to recognize the past and present contributions of the incentive objects to the chemical and environmental business segments and to encourage those who will continue to contribute in the future. According to this plan, CIMC Safe Tech's equity will pass through the partnership platform company ((Zhuhai Zilang Enterprise Management Center (Limited Partnership) ("**Zhuhai Zilang**")), Zhuhai Pengrui Senmao Enterprise Management Partnership (Limited Partnership) ("**Zhuhai Pengrui**")) After subscribing to the new share capital of CIMC Safe Tech, incentives will be granted, with a total subscription amount of approximately RMB139,719,000. Upon completion of the capital increase under this plan, CIMC Safe Tech's share capital will be increased by 10%, and the registered capital will be increased from RMB459,000,000 to RMB510,000,000. The lock-up period of Zhuhai Zilang is 1 year after the listing of CIMC Safe Tech, and 3 years after the listing of Zhuhai Pengrui; the amortization service period of Zhuhai Zilang is 50 months, and the amortization service period of Zhuhai Pengrui is 50 Month. Based on the appraised value of all shareholders' equity and the number of shares of CIMC Safe Tech, the fair value per share on the grant date is RMB4.5139. As of December 31, 2020, the unlocking conditions have not been met, and the incentive object is temporarily unable to enjoy CIMC Safe Tech.'s period profit.

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IX. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company

A share options scheme (the “**Scheme**”) was approved in the shareholders’ meeting of the Company held on 28 September 2010 (the “**Grant Date**”). According to the Scheme, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees to subscribe for the shares of the Company. The validity period of the share option plan is ten years from the date of initial authorization of the share option. According to the plan, the Company completed the first batch of 54,000,000 stock options (hereinafter referred to as the “**first batch of stock options**”) and the second batch of 6,000,000 reserved stock options (hereinafter referred to as “**the second batch of stock options**”) grant registration on 26 January and 17 November 2011, respectively. The option waiting period is 24 months. The options are exercisable in two periods. The options are 25% exercisable from the first transaction date after 24 months since the grant date to the last transaction date after 48 months since grant date. The remaining 75% are exercisable from the first transaction date after 48 months since grant date to the last transaction date of the Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company. In addition, the holder must simultaneously satisfy all the conditions as follows:

- (a) The holder should pass the previous year’s evaluation.
- (b) The increase of net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss should not be lower than the 6% and the average return on net assets after deducting non-recurring profit or loss should not be lower than 10% for the previous year of the exercise date.
- (c) During the waiting period, the net profit attributable to ordinary shareholders of the Company and the net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss should not be lower than the average figures of the three fiscal years before the grant day or negative.

Exercise period: On 12 May 2015, according to the review and approval at the eighth meeting of the seventh session of the Board of Directors in 2015, the second exercise period of the first batch of stock options reached the conditions of exercise. The actual exercise period was from 2 June 2015 to 27 September 2020, the total number of exercisable rights was 39,660,000. On 9 October 2015, according to the review and approval at the 14th meeting of the seventh session of the Board of Directors in 2015, the second exercise period of the second batch of stock options reached the conditions of exercise. The actual exercise period was from 24 October 2015 to 27 September 2020, the total number of exercisable rights was 4,132,500.

Exercise price: The initial exercise price of the first batch of stock options is RMB10.22 per share. After the implementation of the 2010–2019 dividend distribution plan, the exercise price will be adjusted to RMB7.94 per share. The initial exercise price of the second batch of stock options is RMB15.75 per share. After the implementation of the 2011–2019 dividend distribution plan, the exercise price will be adjusted to RMB12.55 per share.

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IX. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company (Continued)

Movement of share options of the Company:

	2020 '000	2019 '000
Beginning balance	20,063	18,817
Exercised in current period	(10,510)	(2,427)
Cancellation in current period	(9,553)	-
Impact of dividend distribution in 2019	-	3,673
Ending balance	-	20,063

(3) Information on equity-settled share-based payment of Modern Logistic

In 2020, in accordance with the Core Employee Stock Ownership Plan of Modern Logistic Development Co., Ltd., the employee shareholding platform Jizhi Co-Creation (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (“**Jizhi Co-Creation**”) contributed RMB291,230,000 to Modern Logistic, of which RMB239,090,000 was used to subscribe for the unpaid registered capital of RMB178,674,000 of Modern Logistic transferred to CIMC Group; RMB52,140,000 was used to subscribe to the newly-increased registered capital of Modern Logistic of RMB38,965,000 yuan. The difference between the equity consideration obtained by Jizhi Co-creation and the fair value of the corresponding net assets of Modern Logistic is included in management expenses and capital reserves.

In 2020, Modern Logistic signed an agreement with Feiyu Zhihui (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (“**Feiyu Zhihui**”), and Modern Logistic transferred 20% equity of its wholly-owned subsidiary, Dongguang CIMC Little Flyingfish Logistic Technology Co., Ltd. (“**CIMC Little Flyingfish**”) to Feiyu Zhihui. the transfer consideration is RMB2,700,000. The difference between the consideration of equity acquired by Feiyu Zhihui and the fair value of the corresponding net assets of that part of the equity is included in management expenses and capital reserves.

(4) Information on equity-settled share-based payment of Beijing Jingxin Technology

In 2020, the board of directors of Beijing Jingxin Technology, a subsidiary of the group, passed the “Beijing CIMC Jingxin Xiangneng Technology Co., Ltd. Equity Incentive Management Measures”, using Ningbo Jingxin Shengshi Enterprise Management Partnership (Limited Partnership) as an employee shareholding platform, the company granted incentive equity to employees that met the incentive conditions by transferring the property share of the employee’s shareholding platform company. In 2020, the original shareholders of Ningbo Jingxin Shengshi Enterprise Management Partnership (Limited Partnership) granted qualified employees 4.9% of their equity. The difference between the consideration of the equity acquired by employees and the fair value of the corresponding net assets of this part of equity is included in management expenses and capital Provident.

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IX. SHARE-BASED PAYMENTS (Continued)

3 Summary of equity-settled share-based payment

As at 31 December 2020, accumulated amount recognized in capital reserve for equity-settled share-based payments	461,076
<hr/>	
Total expenses recognized for equity-settled share-based payments for current year Including:	
– attributed to the Company	–
– attributed to CIMC Logistics	86,935
– attributed to Beijing Jingxin Technology	9,599
– attributed to Enric	7,961
	104,495

X. CONTINGENCIES

1. Guarantees provided for external parties

CIMC Vehicle, a subsidiary of the Group, signed contracts with China Merchants Bank, China Guangfa Bank, Huishang Bank and Industrial Bank, which was granted to the distributors and customers of CIMC Vehicle and its subsidiaries arising from purchase of vehicle products. As at 31 December 2020, the aggregate amount of credit facilities in respect of which the Group and its subsidiaries provided guarantees to the distributors and customers was RMB1,709,171,000 (31 December 2019: RMB1,161,439,000).

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd. cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank in mortgage credit cooperation and signed a property loan guarantee contract, providing phased guarantee to the loans that the customers of the company obtained from the relevant banks for purchasing properties. As of 31 December 2020, the aggregate customer financing loans in respect of which Shaanxi Vehicles Industrial Park provided guarantees, was approximately RMB13,022,000 (31 December 2019: RMB16,553,000).

The Group's subsidiary, C&C Trucks and its subsidiaries carried out vehicle buyer credit business and signed vehicle loan guarantee contracts with external banks, providing credit guarantee to the relevant banks for their financing to the distributors and customers of C&C Trucks and its subsidiaries arising from purchase of vehicle products. As at 31 December 2020, the aggregate amount of credit facilities of the distributors and customers in respect of which C&C Trucks and its subsidiaries provided guarantees was approximately RMB791,927,000 (31 December 2019: RMB869,185,000).

The Group's subsidiary, Enric, signed loan guarantee contracts with Alxa Rural Commercial Bank, providing credit guarantee to the relevant bank for its financing to Ningxia Yuanshan New Energy Group. As at 31 December 2020, the aggregate amount of credit facilities in respect of which Enric provided guarantees was approximately RMB20,000,000 (31 December 2019: RMB16,754,000).

The Group considers the exposure to the risks relating to above matters to be small and there's no need to make provisions.

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X. CONTINGENCIES (Continued)**2. Notes payables issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees**

The Group does not recognise notes payables or letter of credit issued as deposits. Corresponding inventories, advances to suppliers and notes payables are recognised at the earlier of the date of delivery of goods and the maturity date of the notes issued. As at 31 December 2020, the Group had notes issued but not accounted RMB146,785,000 (31 December 2019: RMB0) and issued outstanding letters of credit RMB465,345,000 (31 December 2019: RMB187,630,000).

As at 31 December 2020, the Company had outstanding balance of guarantees issued of RMB2,565,275,000, EUR51,350,000 (equivalent to RMB412,083,000), USD309,317,000 (equivalent to RMB2,018,268,000) and HKD6,434,000 (equivalent to RMB5,415,000) respectively, totaling RMB5,001,041,000 (31 December 2019: RMB3,151,112,000).

As at 31 December 2020, the outstanding balance of guarantees of the Group's subsidiary issued by the bank was RMB1,853,669,000, mainly including the balance of advance payment guarantees of RMB1,065,626,000, the balance of quality guarantees (including foreign guarantees) of RMB56,430,000, the balance of other non-financing guarantees of RMB198,970,000 and the balance of performance guarantees of RMB427,604,000 (31 December 2019: RMB1,340,667,000).

The Group considers the exposure to the risks relating to above matters to be small and there's no need to make provisions.

XI. COMMITMENTS**1. Significant commitments****(1) Capital commitments**

	2020	2019
Fixed assets purchase contracts entered into but not performed or performed partially	82,566	74,821
Investment contracts entered into but not performed or performed partially	36,369	–
Vessels manufactured for sales or lease	–	265,320
	118,935	340,141

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XII. DISCONTINUED OPERATIONS

On October 26, 2020, the Group lost control of CIMC Chancheng and its subsidiaries due to the capital increase of other investors (Note V (2)).

The above-mentioned transferred subsidiary constitutes a discontinued operation, and its operating results and disposal gains and losses are listed as follows:

	1 Jan 2020– 26 Oct 2020	2019
Operating income from the discontinued operation	2,169,218	1,432,577
Less: Costs and expenses from the discontinued operation	1,591,863	495,407
Among which: impairment losses recognised/(reversed) for discontinued operation	–	–
Total profit from the discontinued operation	581,558	945,128
Less: Operating income tax expenses from the discontinued operation	165,902	242,640
Operating profit or loss from the discontinued operation	415,656	702,488
Total gains or losses from the disposal of discontinued operation	4,399,487	–
Less : Income tax expense from the discontinued operation	–	–
Net profit or loss on disposal from the discontinued operation	4,399,487	–
Operating net profit from the discontinued operation	4,815,143	702,488
Discontinued operation net profit attributable to shareholders of the Company	4,655,115	432,030
Net profit from continuing operations attributable to shareholders of the Company	694,498	1,110,196

The cash flow of the aforementioned transferred subsidiary is as follows:

	1 Jan 2020– 26 Oct 2020	2019
Net cash flows from operating activities	(3,352,102)	(4,876,055)
Net cash flows from investing activities	40,959	(2,060,516)
Net cash flows from financing activities	5,911,648	3,137,366

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XIII. EVENTS AFTER THE BALANCE SHEET DATE

1. Dividend distribution after the balance sheet date

Dividend proposed (Note (1))

(1) Dividend for ordinary shares proposed after the balance sheet date

On 29 March 2021, board of directors proposed to distribute a cash dividend of RMB0.28 per share to all the shareholders without bonus shares, and without new shares being issued by way of conversion of capital surplus. The amount of shares calculated as at 31 December 2020 was RMB1,006,604,000 (2019: RMB0.12 per share, a total of RMB430,348,000 and without new shares being issued by way of conversion of capital surplus). This proposal is yet to be approved by the shareholders meeting. The dividend distribution plan is based on the number of shares on the dividend registration date. Dividends proposed after the balance sheet date are not recognized as liabilities at the balance sheet date.

2. The listed subsidiary completed its delisting after the balance sheet date

On December 31, 2020, the Company held 49.2% of the issued share capital of CIMC TianDa through its wholly-owned subsidiaries Sharp Vision and CIMC Top Gear B.V..

On 21 January 2021, CIMC TianDa published a joint announcement that the proposal for the privatization made by Sharp Vision, a wholly-owned subsidiary of CIMC, together with Expedition Holding, as joint offerors to CIMC TianDa has been approved. CIMC TianDa successfully delisted from the Hong Kong Stock Exchange on 25 January 2021. The Company will hold 54.92% of the capital of CIMC TianDa through Sharp Vision.

Pursuant to the proposal for the privatization, the cancellation price is HK\$0.266 per share and Sharp Vision will be responsible for 28.44% of the cancellation price of the proposed shares and 100% of the offer price for the option offer, representing a total consideration payable in cash up to HK\$307,939,000.

XIV. THE TOTAL FUTURE OPERATING LEASE RECEIPTS AFTER THE BALANCE SHEET DATE

The undiscounted amounts of total future lease receipts receivable by the Group, as a lessor, after the balance sheet date are as follows:

	31 December 2020
Within 1 year	1,534,197
1 to 2 years	1,265,244
2 to 3 years	287,848
3 to 4 years	98,611
4 to 5 years	36,164
Over 5 years	30,032
	3,252,096

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XV. SEGMENT REPORTING

In accordance with the Group's internal organization structure, management requirement and internal reporting process, nine reportable segments are identified by the Group including: Containers manufacturing, Road transportation vehicles, Energy, chemical and liquid food equipment, Offshore engineering, Airport, fire and automated logistics equipment, Heavy truck, Logistics services, Real estate and Finance and asset management. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segment as different technical and market strategy are adopted. The Group reviews the financial information of individual segment regularly to determine resources allocation and performance assessment.

1. Segment profits, losses, assets and liabilities

In order to assess the segment performance and resources allocation, the Group's management review segment revenue, expenses, assets and liabilities of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include tangible assets, intangible assets, other long-term assets and accounts receivables, etc, but exclude deferred tax assets and other un-allocated headquarter assets. Segment liabilities include payables, bank loans, provision, special payables and other liabilities, while deferred tax liabilities are exclude.

Segment profit represents revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortization, impairment losses, interest expenses and income attributable to individual segment. Transactions conducted among segments are under normal non-related party transaction commercial terms.

During the year, the Group had a new business segment, namely the unit load business. In March 2020, the Group integrated member companies which were engaged in the logistics vehicles business and established CIMC Unit Load Holdings Co., Ltd. (hereinafter referred to as "**CIMC Unit load**"). The company has three major business lines: research, development and manufacturing, leasing operation and multimodal transport, focusing on the provision of professional and comprehensive solutions for integrating packaging and transportation of unitized logistics vehicles for automobile, liquid chemical and rubber industries. CIMC Unit Load is mainly comprised of Dalian CIMC Logistics Equipment Co., Ltd., CIMC Multimodal Transport Co., Ltd. and Suzhou CIMC Liangcai Logistics Technology Co. Ltd..

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XV. SEGMENT REPORTING (Continued)

1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that the management of the Group has used when measuring the profit/(loss), assets and liabilities of the reporting segment, or has not used the following data but provided to the management of the Group on a regular basis:

Item	Containers	Road	Energy,	Offshore	Airport,	Heavy	Logistics	Industrial	Finance	Unit load	Other	Elimination	Total
	manufacturing	transportation	chemical and	engineering	facilities,	truck	services	city	and asset	segments	undistributed	between	
	2020	2020	2020	2020	automated	2020	2020	development	management	2020	amounts	and	2020
	2020.1.1-												
	2020	2020	2020	2020	equipment	2020	2020	2020.10.26	2020	2020	2020	2020	2020
External revenue	21,462,513	26,295,337	13,198,197	5,048,239	6,054,543	1,602,946	10,568,721	2,169,218	1,711,593	2,810,019	3,420,522	(182,765)	94,159,083
Inter-segment revenue	701,110	203,628	93,376	377,155	34,177	91,203	67,180	4,203	466,246	225,921	574,387	(2,838,586)	-
Cost of sales from principal operations	18,816,494	22,982,799	10,855,221	5,354,656	4,757,192	1,687,308	9,861,247	1,354,668	1,155,935	2,600,238	3,169,811	(2,950,589)	79,644,980
Investment (loss)/income in associates and joint ventures	306,202	5,644	(3,178)	(766)	3,499	(22,087)	(3,583)	279,917	38,596	9,663	(140,308)	-	473,599
Assets impairment losses	-	89,251	141,160	113,900	25,497	28,067	914	-	161,559	-	22,089	-	582,437
Depreciation and amortization expenses	477,335	426,216	427,910	889,842	183,079	146,037	181,551	72,960	659,608	116,994	132,286	(215,998)	3,497,820
Interest income	125,236	49,834	60,311	57,061	12,439	15,501	18,133	75,957	259,638	4,501	2,022,914	(2,381,947)	319,578
Interest expenses	97,800	64,316	69,382	1,231,203	78,659	93,948	22,024	41,607	163,304	20,916	1,884,680	(2,175,736)	1,592,103
Total profit/(losses)	2,404,539	1,517,700	506,648	(1,893,794)	390,790	(480,991)	287,936	581,558	417,029	112,265	528,346	2,918,380	7,290,406
Income tax expenses	417,206	248,353	146,340	49,248	66,841	(72,849)	22,221	165,902	104,636	17,929	138,236	(25,397)	1,278,666
Net profit/(losses)	1,987,333	1,269,347	360,308	(1,943,042)	323,949	(408,142)	265,715	415,656	312,393	94,336	390,110	2,943,777	6,011,740
Total assets	20,242,507	19,680,995	16,431,767	35,627,658	9,398,839	3,609,590	4,980,842	-	47,892,797	2,356,393	50,021,260	(64,031,137)	146,211,511
Total liabilities	11,007,587	9,248,698	9,162,645	38,787,773	5,631,713	3,555,985	2,898,880	-	44,067,746	1,563,384	46,610,924	(80,177,668)	92,357,667
Other material non-cash items:													
- Other non-cash expenses/(income) other than depreciation and amortisation	(10,743)	248,397	275,764	116,586	121,098	76,888	20,325	96	318,235	5,228	166,625	142,594	1,481,093
- Long-term equity investments of associates and joint ventures	913,560	87,520	49,298	98,834	32,645	245,856	376,815	-	504,719	62,180	6,727,157	-	9,098,584
- Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax assets	779,392	1,687,536	716,555	326,826	143,651	266,339	269,613	-	104,371	1,157,023	5,769,957	(1,167,428)	10,053,835

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XV. SEGMENT REPORTING (Continued)

1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that the management of the Group has used when measuring the profit/(loss), assets and liabilities of the reporting segment, or has not used the following data but provided to the management of the Group on a regular basis (Continued):

Item	Containers manufacturing 2019	Road transportation vehicles 2019	Energy, chemical and liquid food equipment 2019	Offshore engineering 2019	Airport facilities, fire safety and automated logistics equipment 2019	Heavy truck 2019	Logistics services 2019	Industrial city development 2019	Finance and asset management 2019	Other segments 2019	Elimination between segments and undistributed amounts 2019	Total 2019
External revenue	19,716,666	23,215,109	14,885,699	3,840,742	5,959,423	2,427,352	9,109,855	1,432,577	1,798,493	3,429,425	-	85,815,341
Inter-segment revenue	446,116	120,269	189,417	675,833	2,749	121,201	47,433	3,419	414,506	871,856	(2,892,799)	-
Cost of sales from principal operations	18,279,881	19,949,555	12,208,640	4,378,869	4,496,951	2,271,573	8,315,364	639,065	1,719,096	3,720,048	(3,653,525)	72,325,517
Investment (loss)/income in associates and joint ventures	(985)	(3,522)	(1,103)	(332)	937	26,213	16,677	158,001	5,852	(166,919)	-	34,819
Assets impairment losses	(1,609)	22,812	(18,201)	21,915	5,424	20,447	26,267	-	5,030,298	117,956	-	5,225,309
Depreciation and amortisation expenses	480,365	376,831	280,997	556,359	191,098	148,432	166,887	51,746	625,625	31,276	(131,327)	2,778,289
Interest income	324,156	111,411	14,438	728,825	4,689	34,661	13,336	110,797	292,666	2,635,777	(3,780,542)	490,214
Interest expenses	232,468	139,246	52,529	1,435,865	75,711	111,873	35,846	662,907	457,707	2,559,146	(4,128,551)	1,634,747
Total profit/(losses)	82,733	1,537,969	1,001,195	(1,251,351)	302,137	(247,573)	167,715	1,048,967	(4,954,482)	8,065,768	(139,204)	5,613,874
Income tax expenses	(54,358)	234,790	183,116	33,741	49,061	(27,700)	57,264	242,640	163,859	2,273,951	(52,603)	3,103,761
Net profit/(losses)	137,091	1,303,179	818,079	(1,285,092)	253,076	(219,873)	110,451	806,327	(5,118,341)	5,791,817	(86,601)	2,510,113
Total assets	18,627,725	18,458,864	16,213,870	37,240,984	9,060,017	4,356,856	5,266,855	28,293,788	49,458,824	58,148,561	(73,018,823)	172,107,521
Total liabilities	10,869,010	8,240,243	8,786,315	40,964,430	6,108,527	4,033,179	3,346,657	19,710,093	47,849,323	49,700,717	(82,538,951)	117,069,543
Other material non- cash items:												
- Other non-cash expenses/ (income) other than depreciation and amortisation	(98,841)	(45,395)	35,862	98,314	45,374	204,217	60,318	(40,932)	5,217,947	393,621	6,534	5,877,019
- Long-term equity investments of associates and joint ventures	136,760	101,256	22,685	7,668	23,444	270,279	543,341	3,581,058	382,140	294,943	-	5,363,574
- Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax assets	1,064,093	1,349,792	1,051,777	5,086,225	1,141,941	227,223	369,149	1,184,352	13,495,499	350,757	(16,217,827)	9,102,981

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XV. SEGMENT REPORTING (Continued)

2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets and deferred tax assets, same for the below). The geographical locations of customers are based on the location at which the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical location of the assets (for fixed assets), or the location of the business to which they are allocated (for intangible assets and goodwill), or the location of operations of the associates and joint ventures.

Geographic information (according to the receiving party division)

	Revenue from external customers		Total non-current assets	
	2020	2019	31 December 2020	31 December 2019
PRC	56,729,195	45,317,471	67,081,922	52,340,352
Asia (exclusive of PRC)	3,641,678	9,250,880	237,925	290,438
America	17,759,293	14,409,712	9,919,494	10,666,618
Europe	14,354,186	14,892,982	1,662,082	1,551,403
Others	1,674,731	1,944,296	168,347	178,547
Total	94,159,083	85,815,341	79,069,770	65,027,358

XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks and etc.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, account and notes receivables, other receivables and derivative financial instruments entered into for hedging purposes and etc. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

In respect of receivables, the risk management committee of the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the external ratings of the customers and their bank credit records where available and previous payment records (if available). Receivables are due within from 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers, but earnest or prepayment money is requested sometimes due to the customer's situation.

The management team of the Group had made the plan for finance lease receivables risk management, based on the research on its own industries, the credit rating of counterparties and the knowledge of the counterparties' businesses and financial standings. If the default of contract occurs, the management team of the Group may ask for returning, withdrawing or selling leased property, depending on the applicableness in individual cases. If the delay of repayment occurs, the management team keeps the right to collect the default interest based on the amount of overdue repayment and default interest rate, until the overdue payment will have been paid. In addition, the management team may ask for the deposit which can be paid for the money owed by the leasee, depending on individual cases. When the Group assesses the credit risk, its strategy is to manage, restrict and control the over-concentration of the credit risk, especially, regularly assessing leasee's ability to make the repayment.

Based on the indicators such as assets conditions and profit forecast of the associates and joint ventures, the Group provide funds to them and continuously monitor the project progress and business condition, to ensure the recoverability of fund.

In addition, the receivables of the Group that are neither overdue nor impaired mainly due from a wide range of customers for whom there was no recent history of default.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate. And therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company had a certain concentration of credit risk, as 18.96% (2019: 16.72%) of the total accounts receivables and other receivables were due from the five largest customers of the Group.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

1. Credit risk (Continued)

Investments are normally made only to liquid securities quoted on a recognized stock exchange (except for investments for long-term strategic purposes). Besides, the credit rating of counterparty should be the same or above the Group. For transactions involving derivative financial instruments, counterparties should have sound credit ratings and with whom the Group has a signed netting ISDA agreement (International Swap Derivative Association). Given their high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group as set out in Note X, the Group and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note X.

As at 31 December 2020, the Group has no significant collateral or other credit enhancements held as a result of the debtor's mortgage (2019: Nil).

2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. The Company is responsible for the cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, for individual subsidiaries subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

2. Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on prevailing interest rates at 31 December) and the earliest date the Group can be required to pay:

	31 December 2020					Carrying amount at balance sheet date
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Financial assets						
Cash at bank and on hand	12,181,415	-	-	-	12,181,415	12,181,415
Financial assets held for trading	198,279	-	-	-	198,279	198,279
Derivative financial assets	768,058	-	-	-	768,058	768,058
Note receivables	362,002	-	-	-	362,002	362,002
Accounts receivables	18,635,765	-	-	-	18,635,765	18,635,765
Receivables financing	1,544,177	-	-	-	1,544,177	1,544,177
Current portion of non-current assets	5,410,888	-	-	-	5,410,888	4,149,537
Other receivables	6,765,030	-	-	-	6,765,030	6,747,538
Other debt investments	-	605	101,885	-	102,490	102,490
Long-term receivables	-	3,248,077	2,187,576	12,152,841	17,588,494	11,977,276
Sub-total	45,865,614	3,248,682	2,289,461	12,152,841	63,556,598	56,666,537
Financial liabilities						
Short-term borrowings	8,516,376	-	-	-	8,516,376	8,416,701
Derivative financial liabilities	747,781	-	-	747,781	747,781	
Notes payables	3,829,510	-	-	-	3,829,510	3,829,510
Accounts payables	13,447,074	-	-	-	13,447,074	13,447,074
Debentures payable	226,400	6,136,833	-	-	6,363,233	6,089,486
Other payables	4,048,006	-	-	-	4,048,006	4,048,006
Current portion of non-current liabilities	15,197,371	-	-	-	15,197,371	14,585,373
Other current liabilities	15,800	-	-	-	15,800	15,800
Long-term borrowings	889,236	6,639,329	13,977,925	1,447,441	22,953,931	19,562,326
Lease liabilities	-	135,601	271,791	258,379	665,771	617,794
Long-term payables	-	135,356	-	-	135,356	71,994
Other non-current liabilities	-	40,649	20,248	-	60,897	56,956
Sub-total	46,917,554	13,087,768	14,269,964	1,705,820	75,981,106	71,488,801
Net total	(1,051,940)	(9,839,086)	(11,980,503)	10,447,021	(12,424,508)	(14,822,264)

As at 31 December 2020, the Group has got commitments from main financial institutions to provide enough reserve funds, in order to satisfy short-term and long-term demands of working capital.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

2. Liquidity risk (Continued)

	31 December 2019					Carrying amount at balance sheet date
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Financial assets						
Cash at bank and on hand	9,714,792	-	-	-	9,714,792	9,714,792
Financial assets held for trading	415,503	-	-	-	415,503	415,503
Derivative financial assets	100,980	74,445	-	-	175,425	175,425
Note receivables	636,619	-	-	-	636,619	636,619
Accounts receivables	18,394,971	-	-	-	18,394,971	18,394,971
Receivables financing	1,236,504	-	-	-	1,236,504	1,236,504
Current portion of non-current assets	6,546,308	-	-	-	6,546,308	4,294,669
Other receivables	7,591,488	-	-	-	7,591,488	7,591,488
Other debt investments	-	-	-	31,272	31,272	31,272
Long-term receivables	-	3,574,232	17,489,724	-	21,063,956	13,777,669
Sub-total	44,637,165	3,648,677	17,489,724	31,272	65,806,838	56,268,912
Financial liabilities						
Short-term borrowings	17,557,197	-	-	-	17,557,197	17,557,197
Derivative financial liabilities	352,167	40,275	-	11,264	403,706	403,706
Notes payables	2,581,139	-	-	-	2,581,139	2,581,139
Accounts payables	12,745,264	-	-	-	12,745,264	12,745,264
Debentures payable	312,200	2,294,802	6,138,733	17,170	8,762,905	8,014,049
Other payables	11,877,217	-	-	-	11,877,217	11,877,217
Current portion of non-current liabilities	9,616,415	-	-	-	9,616,415	9,616,415
Other current liabilities	4,106	-	-	-	4,106	4,106
Long-term borrowings	1,608,710	15,325,545	16,868,983	3,367,254	37,170,492	30,918,302
Lease liabilities	-	164,439	280,043	313,363	757,845	667,964
Long-term payables	-	108,227	-	-	108,227	108,227
Other non-current liabilities	-	-	-	1,226,401	1,226,401	1,226,401
Sub-total	56,654,415	17,933,288	23,287,759	4,935,452	102,810,914	95,719,987
Net total	(12,017,250)	(14,284,611)	(5,798,035)	(4,904,180)	(37,004,076)	(39,451,075)

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

2. Liquidity risk (Continued)

- (i) As at the balance sheet date, the Group's financial guarantees provided to external parties are analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

31 December 2020				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
464,992	758,398	1,310,730	-	2,534,120

31 December 2019				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,172,536	2,215,665	516,587	2,400	3,907,188

- (ii) As at the balance sheet date, the cash flows of lease contracts that the Group has signed but not yet executed are listed as follows based on the maturity date:

	31 December 2020				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Future contractual cash flows not included in lease liabilities	7,677	5,758	-	-	13,435

	31 December 2019				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Future contractual cash flows not included in lease liabilities	-	-	-	-	-

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

2. Liquidity risk (Continued)

(iii) Bank and other borrowings are analysed by repayment terms as follows:

	31 December 2020		31 December 2019	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	20,774,805	2,017,874	26,863,338	–
1 to 2 years	6,016,485	6,089,486	14,031,614	2,000,000
2 to 5 years	12,319,914	–	14,353,711	6,000,000
over 5 years	1,225,927	–	2,532,977	–
	40,337,131	8,107,360	57,781,640	8,000,000

3. Interest rate risk

The Group's interest rate risk mainly arises from long-term interest-bearing debt such as long-term borrowings and debentures payable. Financial liabilities with floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and floating-rate contracts based on the market environment. As at December 31, 2020, the Group's long-term interest-bearing debts were mainly RMB-denominated floating-rate contracts with an amount of RMB12,222,594,000 (December 31, 2019: RMB20,626,847,000).

As at 31 December 2020, it is estimated that a general increase/decrease of 50 basis points (31 December 2019: 50 basis points) in floating interest rates, with all other factors held constant, would decrease/increase the Group's net profit by approximately RMB45,835,000 (31 December 2019: RMB77,351,000).

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

4. Foreign exchange risk

The major currency received by the Group is USD and the major currency paid out is RMB. In order to avoid the risks resulting from the fluctuation of the exchange rate of RMB, in respect of accounts receivables and payables denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) Besides the exposure to currency risk arising from derivative financial instruments disclosed in Note IV.3, Note IV.15 and Note IV.44, the Group's exposure as at 31 December to currency risk arising from recognized assets or liabilities denominated in foreign currencies is follows. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

	31 December 2020				31 December 2019			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	3,312,441	704,654	351,344	59,394	961,838	144,124	1,497,898	91,059
Receivables	6,381,495	155,655	23,372	52,602	6,606,400	152,570	58,034	16,029
Contract Assets	61,662	-	-	-	62,885	-	-	-
Short-term borrowings	(2,460,303)	(296,586)	(119,047)	-	(2,180,345)	(280,217)	(134,372)	-
Lease liabilities	(6,864)	-	(4,967)	-	(4,403)	-	(2,126)	-
Long-term borrowings	(1,736,634)	-	-	-	(2,196,226)	-	-	-
Payables	(1,798,344)	(9,063)	(3,552)	(264)	(2,111,753)	(108,793)	(35,154)	(1,050)
Current portion of non-current liabilities	(577)	-	(2,849)	-	(3,061,059)	-	(1,589)	-
Gross balance sheet exposure	3,752,876	554,660	244,301	111,732	(1,922,663)	(92,316)	1,382,691	106,038

As at 31 December 2020 and 31 December 2019, the amount of foreign currency financial assets and foreign currency financial liabilities held by the Company with US currency in base currency translated into RMB is listed as follows:

	31 December 2020				31 December 2019			
	RMB	EUR	HKD	JPY	RMB	EUR	HKD	JPY
Cash at bank and on hand	586,724	19,855	35,235	-	209,642	12,108	6,069	-
Receivables	146,991	-	-	-	148,991	-	1,495	-
Receivables financing	82,274	-	-	-	32,792	-	-	-
Short-term borrowings	(349,710)	(269,331)	-	-	(207,370)	(247,266)	-	-
Payables	(880,915)	-	-	-	(786,092)	-	(5)	-
Current portion of non-current liabilities	-	-	(2,474)	-	(2,043)	-	(1,589)	-
Gross balance sheet exposure	(414,636)	(249,476)	32,761	-	(604,080)	(235,158)	5,970	-

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

4. Foreign exchange risk (Continued)

- (2) The following are the exchange rates for RMB against foreign currencies applied by the Group and the Company:

	Average exchange rate		Middle rate at the balance sheet date	
	2020	2019	31 December 2020	31 December 2019
USD	6.8729	6.8918	6.5232	6.9784
EUR	7.9239	7.7160	8.0257	7.8125
HKD	0.8864	0.8802	0.8416	0.8958
JPY	0.0648	0.0632	0.0632	0.0641

- (3) Sensitivity analysis

Assuming that other risk variables other than the exchange rate remain unchanged, the Group's exchange rate changes of the RMB against the U.S. dollar, Hong Kong dollar, Euro and Japanese yen on December 31, 2020 caused the RMB to appreciate or depreciate by 5% (exchange rate changes of the RMB against the U.S. dollar, Hong Kong dollar, Euro and Japanese yen on December 31, 2019 caused the RMB to appreciate or depreciate by 5%), which will result in an increase (decrease) in shareholder equity and net profit as follows. This effect is converted into RMB and presented at the spot exchange rate on the balance sheet date.

	Equity	Net profit
31 December 2020		
USD	(140,733)	(140,733)
EUR	(20,800)	(20,800)
HKD	(9,161)	(9,161)
JPY	(4,190)	(4,190)
	(174,884)	(174,884)
31 December 2019		
USD	72,100	72,100
EUR	3,462	3,462
HKD	(51,851)	(51,851)
JPY	(3,976)	(3,976)
	19,735	19,735

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

As at December 31, 2020, for companies whose bookkeeping base currency is the U.S. dollar, an appreciation or depreciation of 5% in the exchange rate against RMB, Euro, Hong Kong dollar and Japanese yen (an appreciation or depreciation of 5% in the exchange rate against RMB, Euro, Hong Kong dollar and Japanese yen on December 31, 2019) will lead to an increase (decrease) in shareholders' equity and net profit as follows. This effect is converted into RMB and presented at the spot exchange rate on the balance sheet date.

	Equity	Net profit
31 December 2020		
RMB	15,549	15,549
EUR	9,355	9,355
HKD	(1,229)	(1,229)
JPY	-	-
	23,675	23,675
31 December 2019		
RMB	22,653	22,653
EUR	8,818	8,818
HKD	(224)	(224)
JPY	-	-
	31,247	31,247

The sensitivity analysis above assumes that the changes in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date, the analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

The above sensitive analysis does not include exposure to currency risk arising from foreign future contracts and interest swap contact disclosed in Note IV.3, Note IV.15 and Note IV.44, but the changes in exchange rate may have effect on shareholders' equity and net profit.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

5. Other price risks

Other price risks are mainly stock price risk. As at 31 December 2020, the Group mainly held 209,586,000 tradable shares of Shouchang International.

As at 31 December 2020, it is estimated that a general increase/decrease of the comprehensive index of shares 5% (31 December 2019: 5%), with all other variables held constant, would increase/decrease the Group's net profit by approximately RMB23,059,000 (2019: RMB20,784,000).

6. Fair value estimates

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2020:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instrument held for trading		–	61,494	–	61,494
Investments in debt instrument		–	–	136,785	136,785
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	767,965	–	767,965
Foreign exchange option contract		–	93	–	93
Interest rate swap contract		–	–	–	–
Finance receivables –	IV.6				
Notes receivables		–	1,544,177	–	1,544,177
Other debt investments –	IV.13				
Financial bonds		–	–	–	–
Other equity investments –	IV.14				
Unlisted company stock		–	–	782,690	782,690
Listed company stock		388,668	–	–	388,668
Other non-current financial assets –	IV.15				
Foreign exchange forward contract		–	605	–	605
Equity Investment		–	–	101,885	101,885
Financial assets total		388,668	2,374,334	1,021,360	3,784,362
Non-financial assets					
Investment properties	IV.18	–	–	1,437,970	1,437,970
Total		388,668	2,374,334	2,459,330	5,222,332

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2020 (Continued):

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(207,279)	–	(207,279)
Foreign exchange option contract		–	(18)	–	(18)
Interest rate swap contract		–	(74,923)	–	(74,923)
Commitment to minority shareholders		–	–	(465,561)	(465,561)
Other non-current liabilities –	IV.44				
Interest rate swap contract		–	(19,744)	–	(19,744)
Financial liabilities total		–	(301,964)	(465,561)	(767,525)

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2019:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instrument held for trading		200,206	–	–	200,206
Investments in debt instrument		–	–	215,297	215,297
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	92,098	–	92,098
Foreign exchange option contract		–	56	–	56
Interest rate swap contract		–	8,826	–	8,826
Finance receivables –	IV.6				
Notes receivables		–	1,236,504	–	1,236,504
Other debt investments –	IV.13				
Financial bonds		31,272	–	–	31,272
Other equity investments –	IV.14				
Unlisted company stock		–	–	1,009,586	1,009,586
Listed company stock		363,799	–	–	363,799
Other non-current financial assets –	IV.15				
Interest rate swap contract		–	74,445	–	74,445
Financial assets total		595,277	1,411,929	1,224,883	3,232,089
Non-financial assets					
Investment properties	IV.18	–	–	2,769,715	2,769,715
Total		595,277	1,411,929	3,994,598	6,001,804
Liabilities					
Financial liabilities					
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(50,595)	–	(50,595)
Foreign exchange option contract		–	(101)	–	(101)
Currency swap contract		–	(166)	–	(166)
Commitment to minority shareholders		–	–	(301,305)	(301,305)
Other non-current liabilities –	IV.44				
Interest rate swap contract		–	(40,275)	–	(40,275)
Financial guarantee contracts		–	–	(11,264)	(11,264)
Financial liabilities total		–	(91,137)	(312,569)	(403,706)

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The Group make the date when matters occurred which result in significant transfers between instruments in the three levels as the point of transfer. During the year ended 31 December 2020, there were no significant transfers between instruments in Level 1 and Level 2 neither nor Level 2 and Level 3.

For traded in active markets financial instruments, the Group measures its fair value at an active market price; for not traded in active markets financial instruments, the Group uses valuation techniques to determine the fair value. Valuation model mainly used are the discounted cash flow model and market comparable company model etc. Input values of the valuation techniques include the risk free interest rate, benchmark interest rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier, the lack of liquidity discount etc.

The Group has appointed qualified valuer to conduct valuation for the fair value of the investment properties. The methods used include income model and cost model. The key assumptions include rental growth rates, capitalisation rates and unit prices.

The following table presents the movement of the financial assets in Level 3:

	Financial assets held for trading, Other equity investments and Other non-current financial assets
1 January 2020	1,224,883
Addition	113,585
Decrease	(194,238)
– Gains or losses recognized in profit or loss	1,595
– Gains or losses recognized in other comprehensive income	(124,465)
31 December 2020	1,021,360
	Financial assets held for trading, Other equity investments and Other non-current financial asset
1 January 2019	800,856
Addition	393,813
Decrease	(48,118)
– Gains or losses recognized in profit or loss	18,578
– Gains or losses recognized in other comprehensive income	59,754
31 December 2019	1,224,883

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the movement of the non-financial assets in Level 3:

	Investment properties
1 January 2020	2,769,715
Transferred from inventories, fixed assets and construction in progress	4,423,026
Total gains for the current period	(41,502)
– Gains or losses recognized in profit or loss	(41,502)
– Gains or losses recognized in other comprehensive income	–
Transfer to fixed assets	(57,970)
Disposals	(176,900)
Disposals of subsidiaries (Note V.2)	(5,478,399)
31 December 2020	1,437,970
	Investment properties
1 January 2019	1,966,277
Transferred from inventories, fixed assets and construction in progress	363,077
Total gains for the current period	451,771
– Gains or losses recognized in profit or loss	33,156
– Gains or losses recognized in other comprehensive income	418,615
Transfer to other assets	(11,410)
Disposals	–
31 December 2019	2,769,715

Finance Department of the Group is responsible for carrying out the valuation of financial assets and financial liabilities. The above valuation results are independently verified and accounted for by the Finance Department of the Group, and disclosure information in relation to fair value is prepared based on the verified valuation results.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the information of the assets measured at fair value in Level 3:

	Fair value as at 31 December 2020	Valuation techniques	Significant unobservable inputs			
			Name	Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties –			Rate of return/capitalization rate	4%-9%		
Completed investment properties held for sale	1,200,130	Income model	Monthly rental (RMB/square meter/month)	7.02-80.22	(a)	Unobservable
Land use rights	237,840	Direct comparison	Market price (RMB/square meter)	457.14-955.01	(a)	Unobservable

	Fair value as at 31 December 2019	Valuation techniques	Significant unobservable inputs			
			Name	Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties –			Rate of return/capitalization rate	5%-9%		
Completed investment properties held for sale	2,355,331	Income model	Monthly rental (RMB/square meter/month)	4.25-80.22	(a)	Unobservable
Land use rights	414,384	Direct comparison	Market price (RMB/square meter)	479.3-2113	(a)	Unobservable

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

(a) The relationship of unobservable inputs to fair value are as follows:

- The higher of the rate of return/capitalisation rate, the lower of fair value;
- The higher of the monthly rental, the higher of the fair value;
- The higher of the market price, the higher of the fair value;

(2) Assets measured at fair value on a non-recurring basis

The non-current assets held for sale are measured at the lower of the book value and the fair value less the selling costs. As at 31 December 2020, the value of the Group's assets that classified as available for sale were based on the Estimated selling price, which belongs to the third level.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities in the Group measured by the amortized cost method of including: accounts receivables, short-term borrowings, accounts payables, long-term borrowings, and debentures payable, long-term payables etc.

As at 31 December 2020, all financial instruments are carried at amounts not materially different from their fair value.

There is an active market for bonds payable and fair value is determined by the quotations in the active market, which belongs to the first level. Fair value of long-term borrowings, long-term payables and debentures payables with no active market is determined by the discounted future cash flow of the contract in accordance with interest that is comparable and offer the same cash flow under the same conditions, which belongs to the third level.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, available-for-sale financial assets on the balance sheet date.

(a) *Equity investments*

Fair value is based on quoted market prices at the balance sheet date for fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (excluding derivatives), and other equity instrument investments if there is an active market.

(b) *Receivables*

The fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the balance sheet date.

(c) *Borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities*

The fair value of borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

(d) *Derivatives*

The fair value of forward exchange contracts is either based on their listed market prices or by discounting the contractual forward price and deducting the current spot rate. The fair value of interest rate swaps is based on broker quotes. The quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar interest rate instrument at the measurement date.

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XVI. FINANCIAL RISK AND FAIR VALUES ESTIMATES (Continued)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values (Continued)

(e) *Financial guarantees*

The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that the lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

XVII. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability of sustainable development in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital of the Group is shareholders' equity shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and use debt to asset ratio to monitor capital.

The Group monitors capital on the basis of Debt-Asset ratio. This ratio is calculated as total liabilities divided by total assets.

The Group manages capital status by controlling the Debt-Asset ratio not to exceed 70%. The Debt-Asset ratio as at 31 December 2020 and 31 December 2019 were as follows:

	31 December 2020	31 December 2019
Total Liabilities	92,357,667	117,069,543
Total Assets	146,211,511	172,107,521
Debt-Asset ratio	63%	68%

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	31 December 2020	31 December 2019
Bank deposits	892,464	1,569,703
Other cash balances	20,868	6,595
Total	913,332	1,576,298
Including: cash abroad	-	-

As at 31 December 2020, restricted cash at bank and on hand of the Company amounted to RMB20,868,000 (31 December 2019: RMB23,332,000).

As at 31 December 2020, the deposit of the Company in the Finance Company, a subsidiary of the Group, was RMB531,210,000 (31 December 2019: RMB1,417,310,000). The Company had no fixed deposit in the Finance Company (31 December 2019: RMB1,100,000,000)

2. Derivative financial assets and liabilities

	31 December 2020	31 December 2019
Derivative financial assets -		
Forward foreign exchange contracts	100,995	4,781
Derivative financial liabilities -		
Forward foreign exchange contracts	-	3,379

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Other receivables

(1) Other receivables are analysed by categories of customers as follows:

	31 December 2020	31 December 2019
Amounts due from related parties (Note XVIII,3(7))	22,718,417	20,915,274
Dividends receivable	3,823,048	4,291,084
Interest receivable	69,587	80,349
Security deposits	225	171
Others	27,977	22,711
Sub-total	26,639,254	25,309,589
Less: provision for bad debts	(4,580)	(4,580)
	26,634,674	25,305,009

(2) The ageing analysis of other receivables is as follows:

	31 December 2020	31 December 2019
Within 1 year	11,320,999	16,952,259
1 to 2 years	9,923,772	3,780,819
2 to 3 years	958,873	62,812
Over 3 years	4,435,610	4,513,699
	26,639,254	25,309,589

(3) Loss provision and changes in book balance

	First stage			Third stage			Total	
	Expected credit loss in the next twelve months (collectively assessed)		Expected credit loss in the next twelve months (individually assessed)		Sub-total	Lifetime expected credit losses (suffered credit impairment)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts		Book balance		Provision for bad debts
1 January 2020	-	-	25,305,009	-	-	4,580	(4,580)	(4,580)
Increase in current year	-	-	20,371,153	-	-	-	-	-
Reversal in current year	-	-	(19,041,488)	-	-	-	-	-
31 December 2020	-	-	26,634,674	-	-	4,580	(4,580)	(4,580)

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Other receivables (Continued)

(3) Loss provision and changes in book balance (Continued)

As at 31 December 2020 and 31 December 2019, the Company had no other receivables that were recognized at the second stage. Other receivables recognized at the first and the third stage are as follows:

- (i) As at 31 December 2020 and 31 December 2019, the provision for bad debts of other receivables on the individual basis is as follows:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual ratio	Amount	Amount	Accrual ratio
Amounts due from related parties	22,718,417	-	-	20,915,274	-	-
Dividends receivable	3,823,048	-	-	4,291,084	-	-
Interest receivable	69,587	-	-	80,349	-	-
Security deposits	225	-	-	171	-	-
Others	23,397	-	-	18,131	-	-
	26,634,674	-	-	25,305,009	-	-

- (ii) As at 31 December 2020 and 31 December 2019, the other receivables for the provision of bad debts in the portfolio are all in the third stage, as analysed below:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Individually assessed:				
Others	4,580	100%	(4,580)	(i)

- (i): Provision is measured as lifetime expected credit losses.

- (4) There is no reversal or recovery of provision for the current year.

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Other receivables (Continued)

(5) As at 31 December 2020, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	10,815,343	Within 1 year, 1 to 2 years	40.60%	-
CIMC Raffles	fund transfer	3,869,311	Within 1 year, 1 to 3 years	14.52%	-
CIMC Financing and leasing	fund transfer, daily transfer	3,505,306	Within 1 year, 1 to 2 years	13.16%	-
CIMC Investment	fund transfer	1,127,334	Within 1 year, 1 to 3 years	4.23%	-
C&C Trucks	fund transfer	1,027,535	Within 1 year, 1 to 2 years	3.86%	-
		20,344,829		76.37%	-

As at 31 December 2019, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	8,398,665	Within 1 year, 1 to 2 years	33.18%	-
CIMC Raffles	fund transfer	4,630,923	Within 1 year, 1 to 2 years	18.30%	-
CIMC Financing and leasing	fund transfer, daily transfer	3,350,911	Within 1 year	13.24%	-
C&C Trucks	fund transfer	1,043,530	Within 1 year, 1 to 2 years	4.12%	-
CIMC Investment	fund transfer	884,224	Within 1 year, 1 to 2 years	3.49%	-
		18,308,253		72.34%	-

(6) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

As at 31 December 2020 and 31 December 2019, no amount due from shareholders holding more than 5% (inclusive) of the voting rights of the Company is included in the above balance of other receivables.

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Other receivables (Continued)

(7) Receivables from related parties

	Relationship with the Company	31 December 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
Associates	Associates	151,613	0.57%	70,599	0.28%
Subsidiaries	Subsidiaries	22,566,804	84.71%	20,844,675	82.36%
Total		22,718,417	85.28%	20,915,274	82.64%

(8) Other receivables derecognized due to transfer of financial assets

As at 31 December 2020, there were no other receivables derecognized due to transfer of financial assets of the Company in the current year (31 December 2019: Nil).

(9) Amount of assets and liabilities recognized due to the continuing involvement of securitised other receivables

As at 31 December 2020, there were no securitised other receivables (31 December 2019: Nil).

4. Other equity investments

	31 December 2020	31 December 2019
Other equity investments		
Unlisted company equity		
– BOCM Schroder Stolt Fund Management	308,204	424,094
– China Railway United Logistics	301,631	303,943
– CIMC Intelligent Technology	11,700	
	621,535	728,037

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (Continued)

5. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	31 December 2020	31 December 2019
Subsidiaries (2)	14,375,923	13,261,200
Less: impairment provisions	(424,637)	(424,637)
Total	13,951,286	12,836,563

There is no restriction on sale of the long-term equity investments held by the Company.

(2) Subsidiaries:

Company name	31 December 2019	Increase in current year	Decrease in current year	31 December 2020	Share holding (%) (Direct)	Voting rights (%) (Direct+ Indirect)	Impairment provided in the current year	Cash dividend declared
Cost Method – Subsidiaries								
SCIMC	359,978	-	-	359,978	100.00%	100.00%	-	1,986,000
Tianjin CIMC North Ocean Container Co., Ltd.	77,704	-	-	77,704	47.50%	100.00%	-	-
Chongqing CIMC Logistics Equipments Co., Ltd.	39,499	-	-	39,499	75.00%	100.00%	-	-
Shanghai CIMC Reefer Containers Co., Ltd.	200,892	-	200,892	-	-	92.00%	-	-
CIMC Hong Kong	1,690	-	-	1,690	100.00%	100.00%	-	-
CIMC SD	162,686	-	-	162,686	98.53%	100.00%	-	396,091
CIMC Vehicles	606,912	431,756	-	1,038,668	41.27%	57.42%	-	299,228
CIMC Intelligent Technology (i)	41,526	-	41,526	-	13.00%	13.00%	-	-
CIMC Management Training (Shenzhen) Co., Ltd.	48,102	-	-	48,102	100.00%	100.00%	-	-
Dalian CIMC Heavy Logistics Equipments Co., Ltd.	525,136	-	-	525,136	62.70%	100.00%	(424,637)	-
CIMC Marine Engineering Academe Co., Ltd.	111,703	-	-	111,703	75.00%	100.00%	-	-
Shenzhen CIMC Investment Holding Company	71,926	-	-	71,926	100.00%	100.00%	-	-
Finance Company	482,590	-	-	482,590	54.35%	100.00%	-	32,196

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5. Long-term equity investments (Continued)

(2) Subsidiaries: (Continued)

Company name	31 December 2019	Increase in current year	Decrease in current year	31 December 2020	Share holding (%) (Direct)	Voting rights (%) (Direct+ Indirect)	Impairment provided in the current year	Cash dividend declared
CIMC Financing and Leasing Shenzhen CIMC Investment Co., Ltd. (" SZ Investment ")	1,157,625	-	-	1,157,625	75.00%	100.00%	-	-
Shenzhen Sky Capital Co., Ltd	140,000	-	-	140,000	100.00%	100.00%	-	-
Shenzhen Sky Capital Co., Ltd	190,000	-	-	190,000	95.00%	100.00%	-	-
Container Holding	5,043,682	-	-	5,043,682	100.00%	100.00%	-	-
COOPERATIE CIMC U.A	205,022	-	-	205,022	99.00%	99.00%	-	-
Modern Logistic	803,904	-	-	803,904	80.00%	80.00%	-	140,000
C&C Trucks	1,430,593	-	-	1,430,593	70.06%	70.06%	-	-
CIMC Offshore Holdings Co., Ltd	35,000	90,000	-	125,000	100.00%	100.00%	-	-
Fortune	67,755	-	-	67,755	100.00%	100.00%	-	-
Dongguan Jiwang Industrial Park Co., Ltd.	30,000	-	-	30,000	100.00%	100.00%	-	-
CIMC Modular Building Investment Co., Ltd (" Modular Investment ")	306,080	100,000	-	406,080	100.00%	100.00%	-	-
CIMC Technology	1,041,195	235,385	-	1,276,580	100.00%	100.00%	-	-
CIMC Capital Holdings Co. Ltd.	80,000	-	-	80,000	100.00%	100.00%	-	-
CIMC Unit Load	-	500,000	-	500,000	100.00%	100.00%	-	-
Sub-total	13,261,200	1,357,141	242,418	14,375,923			(424,637)	2,853,515

- (i) The Company partially disposed of the equity in CIMC Intelligent Technology on October 20, 2020, and lost of control and significant influence on CIMC Intelligent Technology. The Company has classified its remaining other equity investments, details of which are set out in Note IV.14.

6. Fixed assets

	31 December 2020	31 December 2019
Fixed assets (a)	127,284	133,486
Disposal of fixed assets (b)	534	58
	127,818	133,544

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6. Fixed assets (Continued)

(a) Fixed assets

	Plants and buildings Self-used	Machinery and equipment Self-used	Office and other equipment Self-used	Total
Original cost				
31 December 2019	146,064	27,752	145,758	319,574
Transferred from construction in progress	–	4,925	2,962	7,887
Additions	–	97	2,404	2,501
Disposals	(1,972)	(1,514)	(7,170)	(10,656)
31 December 2020	144,092	31,260	143,954	319,306
Accumulated depreciation				
31 December 2019	59,153	20,675	106,260	186,088
Depreciation	4,347	1,933	8,890	15,170
Disposals	(1,516)	(1,364)	(6,356)	(9,236)
31 December 2020	61,984	21,244	108,794	192,022
Net book value				
31 December 2019	86,911	7,077	39,498	133,486
31 December 2020	82,108	10,016	35,160	127,284

The amount of depreciation accrued for fixed assets in 2020 was included in the administrative expenses amounting to RMB15,170,000 (2019: RMB14,682,000).

The original cost transferred from construction in progress was RMB7,887,000 (2019: RMB8,055,000).

(b) Disposal of fixed assets

	31 December 2020	31 December 2019
Office and other equipment	534	58

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7. Short-term borrowings

	31 December 2020	31 December 2019
Bank borrowings		
– Unsecured	3,255,949	6,460,000

As at 31 December 2020, the short-term loan interest rate ranged from 2.90% to 3.75%. (31 December 2019: 3.68% to 4.25%)

8. Taxes payable

	31 December 2020	31 December 2019
VAT payable	13,342	18,808
Corporate income tax payable	1,867	1,867
Withholding individual income tax	2,554	1,269
Others	1,042	1,848
	18,805	23,792

9. Other payable

(1) The analysis of the Company's other payables is as follows:

	31 December 2020	31 December 2019
Current account with subsidiaries	1,241,086	656,750
Interest payable	–	119,250
Accruals	4,370	1,701
Amounts due to related parties	2,491	–
Quality guarantees	109	188
Others	11,577	10,982
	1,259,633	788,871

(2) Significant other payables aged over one year

Other payables aged over 1 year are mainly unpaid warranty.

(3) As at 31 December 2020 and 31 December 2019, no amount due to shareholders who hold more than 5% (inclusive) of the voting rights of the Company is included in the balance of other payables.

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9. Other payable (Continued)

(4) Other payables to related parties:

Company name	Relationship with the Company	31 December 2020	31 December 2019
Total amount due to subsidiaries	Subsidiaries	1,241,086	656,750

10. Current portion of non-current liabilities

Item		31 December 2020	31 December 2019
Current portion of long-term borrowings			
– Unsecured	XVIII.11	1,701,772	800,000
Current portion of debentures payable	XVIII.12	2,017,874	–
Current portion of provisions		18,680	–
		3,738,326	800,000

11. Long-term borrowings

	31 December 2020	31 December 2019
Bank borrowings		
– Unsecured	6,509,707	4,209,000
Less: Current portion of long-term borrowings	(1,701,772)	(800,000)
	4,807,935	3,409,000

As at 31 December 2020, there were no overdue long-term borrowings of which the durations are extended (31 December 2019: Nil).

As at 31 December 2020, the interest rate of long-term borrowing ranged from 1.20% to 4.30% (31 December 2019: 1.20% to 3.69%).

12. Debentures payable

Information for the Company's debentures payable is disclosed in Note IV.41.

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13. Deferred tax assets

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	31 December 2020		31 December 2019	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Employee benefits payable	59,346	14,837	342,521	85,630
Deductible losses	159,386	39,846	–	–
Derivative financial liabilities	–	–	3,379	845
Sub-total	218,732	54,683	345,900	86,475
Offsetting amount	(218,732)	(54,683)	(121,601)	(30,400)
Offsetting balances	–	–	224,299	56,075
Including:				
Amount expected to be reversed within 1 year (inclusive)		–		56,075

	31 December 2020		31 December 2019	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax liabilities:				
Derivative financial assets:				
Fair value change of investment properties	100,995	25,249	4,781	1,195
Sub-total	117,737	29,434	116,820	29,205
Sub-total	218,732	54,683	121,601	30,400
Offsetting amount	(218,732)	(54,683)	(121,601)	(30,400)
Offsetting balances	–	–	–	–
Including:				
Amount expected to be reversed within 1 year (inclusive)		–		–

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14. Capital reserve

	31 December 2019	Increase in current year	Decrease in current year	31 December 2020
Capital surplus	3,135,368	144,269	–	3,279,637
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	190,580	–	(71,147)	119,433
Others	(568,492)	–	–	(568,492)
Total	2,758,230	144,269	(71,147)	2,831,352
	31 December 2018	Increase in current year	Decrease in current year	31 December 2019
Capital surplus	3,697,912	34,544	(597,088)	3,135,368
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	207,011	–	(16,431)	190,580
Others	(568,492)	–	–	(568,492)
Total	3,337,205	34,544	(613,519)	2,758,230

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15. Other comprehensive income

	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2020			
	1 January 2020	Post-tax amount attributable to the Company	31 December 2020	Pre-tax amount incurred in current year	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss							
Changes in fair value of other equity investments	339,132	(118,202)	220,930	(118,202)	-	-	(118,202)
Item that may be reclassified subsequently to profit and loss	-	-	-	-	-	-	-
The amount of fair value greater than the book value on the conversion date when the fixed assets and intangible assets are converted to investment properties	87,614	-	87,614	-	-	-	-
Property revaluation reserve	43,754	-	43,754	-	-	-	-
	470,500	(118,202)	352,298	(118,202)	-	-	(118,202)

	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2019			
	1 January 2019	Post-tax amount attributable to the Company	31 December 2019	Pre-tax amount incurred in current year	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss							
Changes in fair value of other equity investments	300,368	38,764	339,132	38,764	-	-	38,764
Item that may be reclassified subsequently to profit and loss	-	-	-	-	-	-	-
The amount of fair value greater than the book value on the conversion date when the fixed assets and intangible assets are converted to investment properties	-	87,614	87,614	116,819	-	29,205	87,614
Property revaluation reserve	43,754	-	43,754	-	-	-	-
	344,122	126,378	470,500	155,583	-	29,205	126,378

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16. Undistributed profits

	2020	2019
Undistributed profits at the beginning of the year	6,991,814	2,750,598
Add: net profit attributable to the Company for the current year	2,560,309	6,383,354
Less: equity attributable to holders of other equity investments for the current year	(273,979)	(200,400)
Less: appropriation for surplus reserve	(5,254)	(299,758)
Ordinary share dividends payable	(430,348)	(1,641,980)
Undistributed profits at the end of the year	8,842,542	6,991,814

Approved by the shareholders' general meeting on 1 June 2020, the Company distributed cash dividends to ordinary shareholders on 24 June 2020, at RMB0.12 per share (2019: RMB0.55 per share), totaling RMB430,348,000 (2019: RMB1,641,980,000).

17. Revenue and cost of sales

(1) Revenue and cost of sales

	2020	2019
Revenue from other operations	238,648	475,277
Cost of sales from other operations	-	2,129

(2) Revenue and cost of sales from other operations

	2020		2019	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	206,417	-	209,265	-
Others	32,231	-	266,012	2,129
	238,648	-	475,277	2,129

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18. Financial expenses/(income)

	2020	2019
Interest expenses	770,096	902,334
Less: Interest income	(38,405)	(83,287)
Exchange (gains)/losses	424,417	(152,137)
Others	15,840	30,889
	1,171,948	697,799

19. Expenses by nature

	2020	2019
Salary and wages	44,593	139,728
Agency fees	36,205	47,171
Office expenditure and operating expenditure	23,898	32,854
Software and system maintenance fee	25,712	43,321
Depreciation and amortization	31,574	29,254
Travel and communication costs	9,478	17,974
Advertising and stock certificate fee	7,775	9,246
Technical development expenditure	3,168	1,801
Other expenses	4,306	4,288
	186,709	325,637

20. Investment income

	2020	2019
Income from long-term equity investment under cost method	2,853,515	6,414,531
Income earned during the holding period of other equity investments	14,300	5,000
Gains from disposal of long-term equity investment	101,980	2,183
Interest income and others	651,927	880,885
Other investment income	(8,899)	(7,728)
	3,612,823	7,294,871

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21. Non-operating expenses

	2020	2019
Claims expenses	–	18,680
Others	376	203
	376	18,883

22. Income tax expenses

	2020	2019
Current income tax calculated based on tax law and related regulations	–	–
Deferred income tax	56,075	5,289
	56,075	5,289

The income tax based on the applicable tax rate is adjusted to income tax expense based on the total profit of the income statement:

	2020	2019
Profit before income tax	2,616,384	6,388,644
Income tax expenses calculated at applicable tax rates	654,096	1,597,161
Expenses not deductible for tax purposes	864	1,141
The tax effect of the current year's loss of unrecognized deferred income tax assets	118,069	–
Deductible losses in previously unrecognized deferred income tax assets	–	(71,295)
Income not subject to tax	(716,954)	(1,604,883)
The tax effect of temporary differences in unrecognized deferred income tax assets	–	83,165
Income tax expenses for the current year	56,075	5,289

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XVIII. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (Continued)

23. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

(a) Reconciliation from net profit to cash flows from operating activities:

	2020	2019
Net profit	2,560,309	6,383,354
Add: Impairment losses for assets	–	336,550
Depreciation of fixed assets	15,170	14,682
Amortization of intangible assets	9,429	5,985
Amortization of long-term prepaid expenses	6,975	8,587
Amortization of deferred income	(4,180)	(3,889)
(Gains)/losses on disposal of fixed assets	(3,177)	250
(Gains)/losses on fair value changes	(100,512)	3,332
Financial expenses/(income)	424,417	(186,101)
Investment income	(2,960,895)	(6,413,986)
Provisions	–	18,680
Decrease in deferred tax assets	56,075	5,289
(Increase)/decrease in operating receivables	(1,100,127)	386,410
Increase/(decrease) in operating payables	293,168	(1,785,335)
Net cash flows from operating activities	(803,348)	(1,226,192)

(b) Net change of cash and cash equivalents:

	2020	2019
Cash and cash equivalents balance at the end of the year	892,464	452,966
Less: cash and cash equivalents balance at the beginning of the year	(452,966)	(721,395)
Net increase/(decrease) of cash and cash equivalents	439,498	(268,429)

(2) Composition of cash and cash equivalents

	31 December 2020	31 December 2019
I. Cash		
Including: Cash at bank that can be liquidated at any time on demand	892,464	452,966
Other monetary fund that can be readily drawn on demand	–	–
II. Cash and cash equivalents balance at the end of the year that can be liquidated at any time on demand	892,464	452,966

Note: Aforesaid "Cash at bank and cash equivalents" excluded restricted cash.

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SUPPLEMENTARY TO THE FINANCIAL STATEMENTS

1. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	2020	2019
Losses from disposal of non-current assets	(91,808)	(3,905)
Government grants recognized in profit or loss for the current period	712,117	893,366
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investments gains arising from disposal of other equity instrument investments, other debt investments and other non-current financial assets and gains or losses from changes in fair value of investment properties subsequently measured at fair value, except for the effective hedging activities related to the Group's ordinary activities	544,929	(217,160)
Reversal of provision for impairment of receivables subject to impairment test separately	27,385	6,521
Net income from disposal of long-term equity investment	4,427,236	352,525
Other non-operating income and expenses other than the above	(28,845)	(158,785)
Effect of income tax	(335,163)	(207,787)
Effect of minority interests (after tax)	(249,125)	(364,028)
Total	5,006,726	300,747

Note: Aforesaid non-recurring profit or loss was presented at amount before taxation.

Basis for preparation of statement of non-recurring profit or loss

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities of the Company, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of the Company.

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2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings per share and return on net assets (2010 revised) issued by CSRC and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

	Weighted average return on net assets (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2020	2019	2020	2019	2020	2019
Net profit attributable to ordinary shareholders of the Company	14%	4%	1.41	0.37	1.41	0.37
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	0.19%	3%	0.02	0.29	0.02	0.29

CHAPTER XV

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the headquarters of the Company in Shenzhen upon request by the relevant regulatory authorities and Shareholders in accordance with PRC laws and regulations or the Articles of Association:

- I. The annual report signed by the legal representative.
- II. The financial statements under the hand and seal of the legal representative, the person in charge of accounting affairs and the head of the accounting department (accounting officer).
- III. The original copy of the audit report under the seal of Accountants Firms and under the hand and seal of Certified Public Accountants.
- IV. The original copies of the documents and announcements of the Company published in the newspapers, being "China Securities Journal", "Securities Times" and "Shanghai Securities News", stipulated by the CSRC during the Reporting Period.
- V. A copy of the Articles of Association.

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