



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: 02039

The background of the cover features a collage of industrial and logistics scenes. On the left, a large blue and white globe is superimposed over a network of white lines. Below the globe, a yellow crane is lifting a large white cylindrical container from a blue and white ship labeled 'CIMC 3060'. To the right, a white semi-truck is parked in front of a stack of colorful shipping containers. In the foreground, a red truck is pulling a white tanker trailer. The entire scene is framed by a large, stylized orange and blue circle with a network of white lines. The text '2024 ANNUAL REPORT' is centered within this circle.

2024 ANNUAL REPORT

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 2024 annual report (hereinafter referred to as this “**Report**” or the “**2024 Annual Report**”) has been considered and approved at the seventh meeting of the tenth session of the Board of the Company in 2025. All Directors have attended the meeting to consider and approve this Report.

The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that this Report is true, accurate and complete and does not contain misrepresentations, misleading statements or material omissions and jointly and severally take legal responsibility.

The proposed profit distribution plan for 2024 of the Company considered and approved by the Board Meeting is as follows: a cash dividend of RMB0.176 (tax inclusive) per share to all the shareholder on the basis of 5,367,874,835 shares, which is calculated by deducting 24,645,550 repurchased shares from 5,392,520,385 shares, the total share capital of the Company as at 31 December 2024, and there will be no bonus shares or new shares being issued by way of conversion of capital reserve. Where there are any changes in the share capital of the Company after the Board considered the profit distribution plan until implementation of the plan, the dividend amount per share shall be adjusted according to the principle that the total amount of the distribution remains unchanged. The proposed dividend is expected to be payable on or around 18 August 2025. The proposed profit distribution plan for 2024 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, Mr. ZENG Han, the vice president and Chief Financial Officer (CFO), person-in-charge of accounting affairs and Ms. XU Zhaoying, the general manager of financial department, the head of accounting department, hereby warrant the truthfulness, accuracy and completeness of the annual financial report for 2024 in this Report.

The financial statements of the Group for 2024, which have been prepared in accordance with CASBE, have been audited by KPMG Huazhen 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.

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 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.
- II. The original copy of the audit report under the seal of Accountants Firms and under the hand and seal of Certified Public Accountants.
- III. The original copies of the documents and announcements of the Company published on the websites of “China Securities Journal”, “Securities Times”, “Shanghai Securities News”, Cninfo and the Hong Kong Stock Exchange during the Reporting Period.

DEFINITIONS

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

Items	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 Group" or "Group"	The Company and its subsidiaries
"Director(s)"	The director(s) of the Company
"Board"	The Board of the Company
"Supervisor(s)"	The supervisor(s) of the Company
"Supervisory Committee"	The supervisory committee of the Company
"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
"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
"Shareholder(s)"	The holder(s) of A share(s) and H share(s) of the Company
"CSRC"	China Securities Regulatory Commission
"SSRB"	The Shenzhen Securities Regulatory Bureau of the China Securities Regulatory Commission
"Shenzhen Stock Exchange"	The Shenzhen Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HKSCC"	Hong Kong Securities Clearing Company Limited and HKSCC NOMINEES LIMITED
"Reporting Period" or "Year" or "Period"	The twelve months from 1 January 2024 to 31 December 2024



DEFINITIONS

"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.
"Articles of Association"	The Articles of China International Marine Containers (Group) Co., Ltd
"Shenzhen Listing Rules"	The Rules Governing the Listing of Securities on the Shenzhen Stock Exchange
"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
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Hong Kong Listing Rules
"Corporate Governance Code"	The Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules
"SFO"	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"PRC" or "China"	The People's Republic of China
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States of America
"%"	Percentage
"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

DEFINITIONS

“Shenzhen Capital (Hong Kong)”	Shenzhen Capital (Hong Kong) Container Investment Co., Ltd.
“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
“China Merchants (CIMC) Investment”	China Merchants (CIMC) Investment Limited
“CIMC Container (Group) Co., Ltd.”	CIMC Container (Group) Co., Ltd., a holding subsidiary of the Company
“CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (stock code: 301039) and a holding subsidiary of the Company. Its shares were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1839), and was delisted from the Hong Kong Stock Exchange at 4:00 p.m. on 3 June 2024
“CIMC TianDa”	CIMC-TianDa Holdings Company Limited, a holding subsidiary of the Company
“CIMC Wetrans”	CIMC Wetrans Logistics Technology (Group) Co., Ltd., a holding subsidiary of the Company
“CIMC Transpack Technology”	CIMC Transpack Technology Co, Ltd., a holding subsidiary of the Company
“CIMC Enric”	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), 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 Safeway”	CIMC Safeway Technologies Co., Ltd. (中集安瑞環科技股份有限公司), the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (stock code: 301559) and a holding subsidiary of the Company
“CIMC LPT”	CIMC Liquid Process Technologies Co., Ltd. (中集安瑞醇科技股份有限公司), a holding subsidiary of the Company. The public transfer of its shares on the National Equities Exchange and Quotations commenced on 8 August 2024 (stock code: 872914)
“CIMC Finance Company”	CIMC Finance Co., Ltd., a holding subsidiary of the Company



DEFINITIONS

"Shenzhen Financial Leasing Company" or "CIMC Leasing"	Shenzhen Financial Leasing (Group) Co., Ltd. (深圳市融資租賃(集團)有限公司) (formerly known as "CIMC Financial Leasing Co., Ltd." which was changed on 29 April 2024), an associate 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 holding subsidiary of the Company
"CIMC Raffles"	Yantai CIMC Raffles Marine Technology Group Co., Ltd., a holding subsidiary of the Company
"CIMC Industry & City"	Shenzhen CIMC Industry & City Development Group Co., Ltd. (深圳市中集產業城發展集團有限公司), an associate of the Company
"Sinotrans & CSC"	Sinotrans & CSC Holdings Co., Ltd., together with its subsidiaries "Sinotrans & CSC Group"
"China Merchants Port"	China Merchants Port Group Co., Ltd., together with its subsidiaries "China Merchants Port Group"
"Liaoning Port"	Liaoning Port Group Limited (遼寧港口集團有限公司), together with its subsidiaries "Liaoning Port Group"
"China Merchants RORO"	China Merchants Guangzhou Roro Shipping Company Limited (廣州招商滾裝運輸有限公司), together with its subsidiaries "China Merchants RORO Group"
"Sinotrans"	Sinotrans Container Lines Co., Ltd. (中外運集裝箱運輸有限公司), together with its subsidiaries "Sinotrans Group"
"CMOEI"	China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (深圳市招商局海工投資有限公司), together with its subsidiaries "CMOEI Group"
"SIPG"	Shanghai International Port (Group) Co., Ltd., together with its subsidiaries "SIPG Group"

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
EPC	Engineering Procurement Construction
FPSO	Floating Production Storage and Offloading
FLNG	Floating Liquefied Natural Gas System
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 semisubmersible 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 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 offering 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 and logistics facilities/firefighting and rescue equipment as well as the provision of relevant services, including the international standard dry containers, reefer containers, special-purpose containers, tank containers, natural gas/industrial gas/hydrogen storage tanks and transport tankers, bio-fermentation liquid food turnkey projects, semi-trailer products, special vehicle upper parts, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, offshore wind turbine installation vessel, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system, etc. In addition, the Group is also engaged in recycled load business, logistics services business, and finance and asset management and other businesses, etc. 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 Chinese Name:	中國國際海運集裝箱(集團)股份有限公司(abbreviated to “中集集團”)
English Name:	China International Marine Containers (Group) Co., Ltd. (abbreviated to “ CIMC ”)
Legal Representative:	MAI Boliang
Authorised Representatives to the Stock Exchange:	MAI Boliang, WU Sanqiang
Registered Address and Address of the 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
Website:	http://www.cimc.com
Email Address:	ir@cimc.com

CHAPTER I CORPORATE PROFILE

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary to the Board/ Company Secretary:	WU Sanqiang
Representative of Securities Affairs/Assistant Company Secretary:	HE Linying
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC (Postal code: 518067)
Contact Telephone:	+86 755 2669 1130
Facsimile:	+86 755 2682 6579
Email Address:	ir@cimc.com

III. CHANGES IN REGISTRATION

Unified social credit code:	91440300618869509J
Change of Principal Business since Listing:	No
Change of the Controlling Shareholder:	No controlling Shareholder

IV. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

Stock Exchange Website of Disclosure of Annual Report of the Company:	A Share: www.szse.cn ; H Share: www.hkexnews.hk
Media or Website of Disclosure of Annual Report of the Company:	A Share: "China Securities Journal", "Securities Times", and "Shanghai Securities News" and www.cninfo.com.cn ; H share: www.hkexnews.hk
Official 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)



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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Hong Kong Lawyer:	Paul Hastings 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:	KPMG Huazhen LLP 8/F, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, the PRC
The Certified Public Accountants as the Signatories:	MA Yuchong, CHEN Lijia

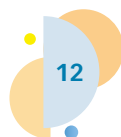
CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

I. 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					
	2024	2023	Changes from the previous year to this year	2022	2021	2020
Revenue	177,664,098	127,809,519	39.01%	141,536,654	163,695,980	94,159,083
Operating profit	6,552,897	2,831,912	131.39%	7,505,208	13,471,549	7,439,627
Profit before income tax	6,595,247	2,834,174	132.70%	6,937,851	13,295,059	7,290,406
Income tax expense	2,400,090	970,800	147.23%	2,336,709	4,934,291	1,278,666
Net profit	4,195,157	1,863,374	125.14%	4,601,142	8,360,768	6,011,740
Including:						
Net profit attributable to Shareholders and other equity holders of the Company	2,972,343	421,249	605.60%	3,219,226	6,665,323	5,349,613
Profit or loss attributable to minority Shareholders	1,222,814	1,442,125	(15.21%)	1,381,916	1,695,445	662,127
Net profit attributable to Shareholders and other equity holders of the Company after deducting non-recurring profit or loss	3,450,704	665,302	418.67%	4,283,631	5,473,060	342,887



CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB thousand

Consolidated Balance Sheet Items	As at 31 December					
	2024	2023	Changes from the previous year to this year	2022	2021	2020
Total current assets	100,763,425	88,439,976	13.93%	76,984,186	81,457,379	67,141,741
Total non-current assets	73,988,811	73,323,257	0.91%	68,915,763	72,865,122	79,069,770
Total assets	174,752,236	161,763,233	8.03%	145,899,949	154,322,501	146,211,511
Total current liabilities	80,856,808	78,985,163	2.37%	62,998,154	69,422,602	60,895,028
Total non-current liabilities	25,875,626	18,147,720	42.58%	20,245,711	27,919,809	31,462,639
Total liabilities	106,732,434	97,132,883	9.88%	83,243,865	97,342,411	92,357,667
Total equity attributable to Shareholders	68,019,802	64,630,350	5.24%	62,656,084	56,980,090	53,853,844
Equity attributable to Shareholders and other equity holders of the Company	51,619,332	47,857,805	7.86%	48,613,429	45,118,633	44,017,516
Minority interests	16,400,470	16,772,545	(2.22%)	14,042,655	11,861,457	9,836,328

Unit: RMB thousand

Consolidated Cash Flow Statement Items	For the year ended 31 December					
	2024	2023	Changes from the previous year to this year	2022	2021	2020
Net cash flows from operating activities	9,263,870	2,703,186	242.70%	14,617,466	20,574,655	12,810,486
Net cash flows used in investing activities	(6,630,289)	(8,174,551)	18.89%	(6,257,577)	(2,843,021)	(3,538,804)
Net cash flows (used in)/ from financing activities	(4,243,987)	9,705,012	(143.73%)	(9,763,357)	(12,186,978)	(6,539,564)

CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

Key Financial Indicators	2024	2023	Changes from the previous year to this year	2022	2021	2020
Basic earnings per share attributable to Shareholders of the Company (RMB)	0.53	0.07	657.14%	0.59	1.20	0.94
Diluted earnings per share attributable to Shareholders of the Company (RMB)	0.53	0.05	960.00%	0.57	1.20	0.94
Net cash flows from operating activities per share (RMB)	1.73	0.50	246.00%	2.71	3.82	2.38
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)	9.62	8.87	8.46%	9.01	8.37	8.16
Weighted average return on net assets (%)	6%	1%	5%	7%	15%	14%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	7%	1%	6%	9%	13%	0.19%

Note:

- As the Company implemented the conversion of capital reserve in 2022, earnings per share, net cash flows from operating activities per share and net assets per share attributable to shareholders and other equity holders of the Company for 2020 and 2021 have been adjusted for the latest share capital pursuant to the relevant accounting standards.
- Basic earnings per share attributable to shareholders of the Company, diluted earnings per share attributable to shareholders of the Company, net cash flows from operating activities per share and net assets per share attributable to shareholders and other equity holders of the Company have excluded the impact of share repurchase.

The total share capital of the Company as at the trading day preceding the date of disclosure and the fully-diluted earnings per share based on the latest share capital:

The total share capital of the Company as at the trading day preceding the date of disclosure (shares)	5,392,520,385
Dividends paid for preferred shares	—
Provision for interests on perpetual bonds (RMB thousand)	107,445
Fully-diluted earnings per share based on the latest share capital (RMB/share) (Note)	0.53

Note: The calculation formula of “fully-diluted earnings per share based on the latest share capital (RMB/share)” is: (net profit attributable to the Company – provision for interests on perpetual bonds)/latest number of ordinary shares.

CHAPTER II

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

II. RETROSPECTIVE ADJUSTMENT TO OR RESTATEMENT OF THE ACCOUNTING DATA FOR PRIOR YEARS BY THE COMPANY DUE TO CHANGE OF ACCOUNTING POLICIES AND CORRECTION OF ACCOUNTING ERRORS

☒Yes ☐No

Reason for retrospective adjustments or restatements: changes in accounting policies.

Main reasons for Changes in Accounting Policies: The Ministry of Finance of the People's Republic of China issued the "Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024" in March 2024, which provides that assurance-type warranty expenses should be included into cost of sales. As a result of the above-mentioned amendments to the accounting standards, the Company has made corresponding adjustments to relevant accounting policies previously adopted. The Group has adopted the retrospective adjustment method to make corresponding adjustments to the financial statement data for the comparable period. For details, please refer to 35. Significant changes in accounting policies of note III Significant Accounting Policies and Accounting Estimates to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in this Report.

III. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

Differences in net profits and net assets disclosed under international/foreign accounting standards and CASBE

☐Applicable ☒Not applicable

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

Unit: RMB thousand

	2024			
	The first quarter	The second quarter	The third quarter	The fourth quarter
Revenue	32,443,160	46,671,883	49,855,644	48,693,411
Net profit attributable to Shareholders and other equity holders of the Company	83,635	782,146	962,239	1,144,323
Net profit attributable to Shareholders and other equity holders of the Company after deducting non-recurring profit or loss	225,066	595,254	871,190	1,759,194
Net cash flows from operating activities	(1,962,086)	515,179	3,057,404	7,653,373

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

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

✓Applicable □Not applicable

Unit: RMB thousand

Items	Amounts in 2024	Amounts in 2023	Amounts in 2022
Gains/(losses) on disposal of non-current assets (including the part written off for provision for impairment on assets)	25,707	(21,451)	221,022
Government grants recognised in profit or loss for the current period	454,023	580,916	559,249
Gains or losses from changes in fair value arising from holding financial assets, and gains or losses arising from disposal of 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 operating activities	(1,243,275)	(1,331,486)	(1,688,159)
Reversal of impairment provision for accounts receivable tested for impairment separately	19,315	34,487	32,947
Net gains/(losses) from disposal of long-term equity investment	23,482	89,449	(208,926)
Other non-operating income and expenses other than the above items	131,043	37,252	(563,512)
Less: Effect of income tax	(145,936)	(168,219)	(306,290)
Effect of minority interests (after tax)	34,592	(198,561)	(276,684)
Total	(478,361)	(244,053)	(1,064,405)

Note: The above-mentioned non-recurring profit or loss items (except for the effect of minority interests (after tax)) are all presented as pre-tax. During the Reporting Period, the Company did not have any non-recurring profit or loss items, which were defined and listed in accordance with "Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss", defined as recurring profit or loss items.

CHAPTER III

CHAIRMAN'S STATEMENT



Mai Boliang
Chairman

DEAR SHAREHOLDERS AND INVESTORS,

In 2024, the general business environment worldwide remained intricate with an escalating trend of competition. However, in this second year of CIMC's new five-year strategic planning, the Group upheld the philosophy of seeking progress while maintaining stability, breaking new ground while upholding fundamental principles, and capitalized on the strengths of its global presence to navigate the surging tides amidst adversity. Consequently, we are able to see a ramp-up quarter-on-quarter growth in our operating results. During the year, the Group recorded a revenue of RMB177.664 billion, representing a year-on-year growth of 39.01% and a record high; the net profit attributable to the Company amounted to RMB2.972 billion, representing a significant year-on-year growth of 605.60%; in particular, the proportion of the overseas and domestic revenue was approximately 54% to 46%, which demonstrated the Group's all-round approach in capturing regional growth poles.

(I) Strengthening the solid foundation of manufacturing and creating a brand-new advantage in services

In 2024, the Group remained pragmatic and committed to its core business, optimized the quality of orders, and coordinated the development of all business segments, so as to build up a solid advantage in the manufacturing industry and draw up a new blueprint for high-quality development in the service industry.

CHAPTER III CHAIRMAN'S STATEMENT

Container manufacturing business achieved excellent results again, with implementation of the multi-satellite development strategy further advanced.

In 2024, the global container transportation market confronted unprecedentedly complex, severe and uncertain internal and external environments. Against this backdrop, the “star business” once again manifested its role as our “ballast”, and responded promptly to seize historical opportunities, proactively adjusted its business strategies and tapped into its business potential. As a result, the annual production and sales volume of TEUs reached a new record high. The “satellite business” segment sought changes while maintaining stability, and achieved remarkable results in business integration and optimization, with development of innovative businesses such as energy storage, pharmaceutical cold chain, composite materials and temperature control devices sustaining the improving trend. The nova businesses have been progressing steadily, and key enterprises such as Ruiji Technology have realized their strategic focus and technological innovation.

Road transportation vehicles business established the leading role of new-quality productive forces through the in-depth implementation of the Star Chain Plan.

In 2024, amidst the weak performance of the global commercial vehicle logistics market, CIMC Vehicles, by virtue of the Star Chain Plan which integrates resources of domestic semi-trailer factories, stood out with its excellent products, and bucked the trend with a surging sales volume of domestic vehicles due to its extremely high production efficiency, extremely short lead time and extremely strong brand marketing, thus consolidating its competitive edge in overseas markets.

Energy, chemical and liquid food equipment business overcame the cycle dislocation-associated fluctuations and contributed to the imperative global energy transformation.

Clean energy segment achieved impressive growth in revenue and orders, and continued to improve its overseas business portfolio and service capabilities in the upstream of hydrogen energy sector. Chemical environment segment has enjoyed the No.1 market share in the global tank container market for many consecutive years. In respect of liquid food equipment, the Group responded proactively to market shifts and seized the growth opportunities in the domestic spirits market.

Offshore engineering segment scored a turnaround from loss for the first time as the asset pool platform reduced losses significantly.

CIMC Raffles continued to make significant breakthroughs in high-end offshore manufacturing, fueling deep-sea technology with new engines. During the Reporting Period, CIMC Raffles’ newly-contracted offshore engineering orders reached a record high of US\$3.25 billion, nearly doubled year on year. In addition, the operation of the offshore engineering asset pool platform helped CIMC Raffles seize the opportunity of revitalising assets and achieve a year-on-year increase in revenue from leasing operations, indicating an obvious effect of loss reduction.

CHAPTER III

CHAIRMAN'S STATEMENT

Airport facilities and logistics equipment, fire safety and rescue equipment business has been progressing at a steady pace, with R&D, production and sales synergizing and mutually reinforcing, efficiently anchoring new opportunities arising from the development of airports. During the Reporting Period, CIMC TianDa constantly expanded its market footprint in the field of global airport facilities, and led the industry in key transitions with its cutting-edge technologies such as unmanned boarding bridges, intelligent boarding bridges, and technological management for airports; it also made breakthroughs continuously in the fire truck field by researching and developing innovative products suitable for rescue missions in different scenarios, which formed a variety of competitive product series unique to the domestic market.

The direct customer acquisition capability of the logistics services business has been further strengthened, with significant year-on-year growth in profitability indicators. During the Reporting Period, thanks to the enhancement of direct customer service capacity and the continuous investment in digitalization and intelligence, the joint development pattern of sea, land and air transportation in the end-to-end logistics business for cargo was further consolidated. As a result, the yard business has reached a new high in terms of business volume, and CIMC Wetrans has further upgraded its influence in the industry by gaining the third place among Chinese enterprises on the list of the 2024 Top 50 Ocean Freight Forwarders issued by Transport Topics, an authoritative magazine in the global logistics industry.

The Group will continue to develop its capability in providing integrated overall solutions from the perspective of industry development, pinpoint the diversified pain points of its customers, and work in synergy across business segments to build up an upgraded systematic cross-discipline operation capability that covers the entire spectrum of product manufacturing, transportation services and supply chain financial services rather than satisfying single point of demand in the past, with a view to providing satisfactory returns to its shareholders and employees, and creating sustainable value for the society!

CHAPTER III CHAIRMAN'S STATEMENT

(II) Stepping up green transformation further and intensifying scientific innovation for the future

In 2024, we rode on the tide and devoted ourselves to a more “refined” green transformation plan, forging ahead with determination. In the field of new energy business: 1) CIMC Enric, with a multi-point layout in clean energy business, had its first coke oven gas to hydrogen and LNG co-production project successfully put into operation, which realized turning waste into treasure, energy saving and carbon reduction, and promoted the green, low-carbon and sustainable development in the industrial field; CIMC Enric also had deep strategic cooperations with the relevant industries in carrying out research on the industry chain-wide development of the green methanol industry and active exploring the new track of green fuel for ships; 2) CIMC's energy storage business was deeply engaged in the green and low-carbon application scenarios, and promoted key projects such as city-wide superchargers, with the first demonstrative project of mobile energy storage replacing diesel generators successfully launched in Shenzhen; 3) CIMC Vehicles has been rapidly advancing the commercialisation progress of new energy semitrailers. It has completed the functional development of J-RT1.0 vehicles and the design proposals for a number of new energy semitrailers, realised product development and commissioning with customers, and achieved delivery in small batches. In the field of green manufacturing and upgrading: by the end of 2024, the total number of national green factories of CIMC had reached 26, up by 7 compared to the end of the previous year, indicating that CIMC's green manufacturing strength has been further recognized.

In 2024, we dedicated ourselves to tackling more “advanced” core technologies, and made breakthroughs via intensive study and research. For instance, CIMC Raffles, after conquering the technological difficulties in FPSO, again made a major breakthrough in 2024 with its well-established technologies and innovation power by conquering the “new pearl of the crown” of the shipbuilding and offshore engineering industry, thus securing the turnkey FLNG conversion order for the first time. CIMC Pacific Offshore Engineering (中集太平洋海工), a subsidiary of CIMC Enric, pioneered the industry by breaking through the technological bottleneck within the whole industry chain and becoming the first shipbuilder in China to utilize high manganese steel in building liquefied natural gas (LNG) carriers. The cold chain logistics business of the container manufacturing segment has innovatively developed the RAP active temperature-controlled aviation containers, providing stable and reliable temperature-controlled solutions for global cargo transportation. Furthermore, in terms of intelligence, CIMC Safeway was recognized as one of the first batch of national excellent-grade intelligent factories by the Ministry of Industry and Information Technology (MIIT) at the beginning of 2025 on top of two “national-grade 5G factories”, namely Ningbo CIMC and QDCRC.

CHAPTER III CHAIRMAN'S STATEMENT

(III) Operating capital with ingenuity and creating value for shareholders

In 2024, the Group completed the A-share repurchase program at a cost of approximately RMB200 million, demonstrating the Group's firm confidence in its own value and determination in safeguarding shareholders' interests. Moreover, by way of repurchase of H Shares under offer, CIMC Vehicles completed the privatization of its H Shares at a cost of over HK\$1 billion, which also demonstrated CIMC Vehicles' positive feedback to its H shareholders.

From the perspective of the capital market, in 2024, shares of the Group were selected as constituent securities of the CSI A500 Index in September, demonstrating its global leading position in the industry; and in October, H shares of the Company were selected as constituent securities of seven indices including the Hang Seng Composite Index, another recognition of CIMC's business performance and growth prospects by the capital market.

In 2024, in order to sincerely reward our shareholders for their consistent support and trust throughout the year, the Group proposed to distribute a dividend of RMB0.176 (tax inclusive) per share in cash to all shareholders, totaling a cash dividend of RMB945 million (tax inclusive), which represents more than 30% of the net profit attributable to the Company for 2024. This is a heartfelt response from the Group to our shareholders for their longstanding support, and also a strong testimony of the outcome of the Group's sound development against all odds, as well as an expression of the Group's sincere gratitude.

BREAKING NEW GROUND AND FORGING AHEAD WITH COURAGE AND DETERMINATION

Looking ahead to 2025, the Group will re-examine and upgrade its five-year strategic planning, focusing on improving quality and efficiency to achieve stable and sustainable growth in the level of return on resources invested. Targeting at the four high-quality characteristics of "excellent products, leading innovation, outstanding brands and modern governance", the Group will continue to optimize the quality of its business and assets portfolio and enhance the efficiency of resource allocation through a series of shareholding optimization and assets disposal measures.

The year 2025 marks a pivotal stage in the Group's strategic ascent to high-quality development. We will maintain our resilience in confronting challenges, and advance at a determined pace through difficulties and obstacles. In other words, we aim to seek breakthroughs amidst adversities and establish new operational benchmarks against challenges, so as to reward our shareholders with solid and sustainable performance!

Mai Boliang

Chairman

Shenzhen, the PRC

March 2025

CHAPTER IV

REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

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 and logistics equipment/fire safety and rescue equipment business and to a lesser extent, logistics services business and recycled load business providing products and services in professional field of logistics; in the energy field, the Group is principally engaged in energy/chemical/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. With an industrial cluster covering three major dimensions of manufacturing, services and finance, the Group aims to promote the cross-sector integration and upgrading of the Group's segments through a unified strategic development approach, thereby providing scenario-based and integrated equipment and service solutions of high quality and reliability to the logistics and energy industries, delivering good returns to shareholders and employees and creating sustainable value for society.

According to the latest 2024/25 Container Equipment Survey and Leasing Market Annual Report issued by Drewry, an industry authoritative analyst, the Group is ranked No. 1 in the world in terms of production volume of standard dry containers, reefer containers and special-purpose containers. According to the 2024 Global Tank Container Fleet Survey issued by the International Tank Container Organisation, the production volume of tank containers of the Group ranked No. 1 in the world. According to the 2024 Global Semi-trailer OEM Ranking List published by the Global Trailer, CIMC Vehicles was the world's No. 1 semi-trailer manufacturer. CIMC TianDa is one of the major suppliers of boarding bridges in the world, and the Group is also one of the high-end offshore engineering equipment enterprises in China.

The Group continued to consolidate its strategy of globalised deployment, with its research and development centres and manufacturing bases located in nearly 20 countries and regions around the world, and more than 30 overseas entities and enterprises, mainly in Europe, North America and other regions. Benefiting from the continuously consolidating foundation of its global operation platforms, the Group has achieved stable and quality development by catering to the demands of customers in various regions and smoothing out the risk fluctuations in a single region. During the Reporting Period, the Group's domestic revenue accounted for approximately 46% and its overseas revenue accounted for approximately 54%, maintaining a sound market landscape.

CHAPTER IV

REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

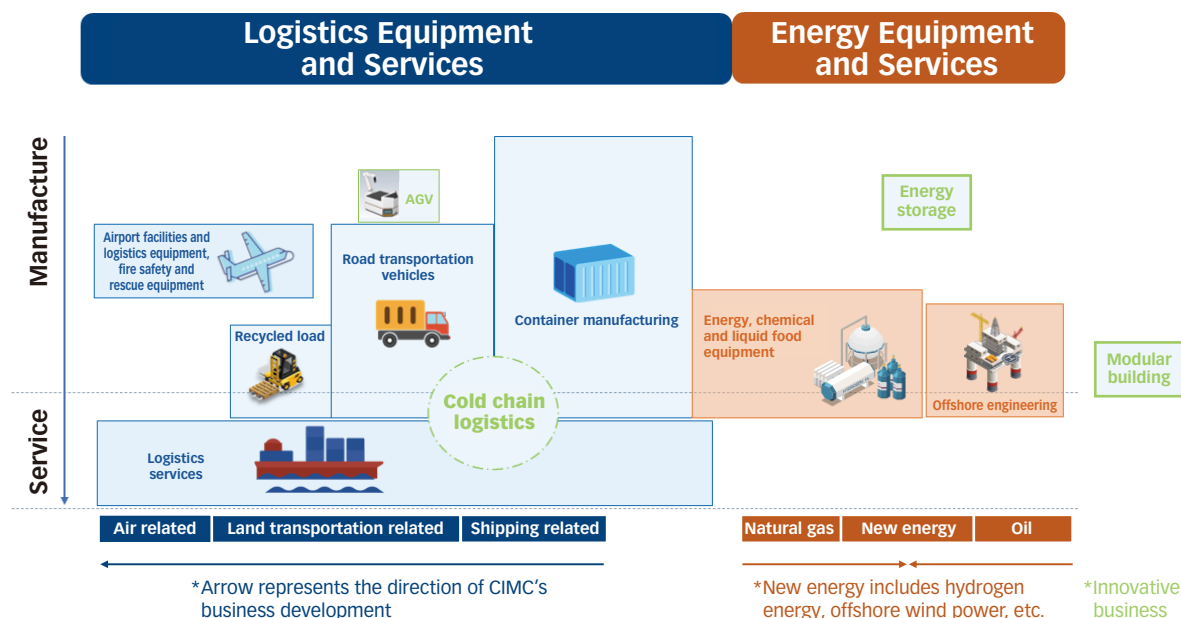
II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

1. Overview

During the Reporting Period, the Group's revenue amounted to RMB177,664 million (same period in 2023: RMB127,810 million), representing a year-on-year increase of 39.01%; the net profit attributable to shareholders and other equity holders of the Company amounted to RMB2,972 million (same period in 2023: RMB421 million), representing a year-on-year increase of 605.60%; and the basic earnings per share amounted to RMB0.53 (same period in 2023: RMB0.07), representing a year-on-year increase of 657.14%. During the Reporting Period, there were no significant changes in the Group's principal operating model, and the products and businesses contributing 10% or more to the Group's revenue included the container manufacturing business, road transportation vehicles business and energy, chemical and liquid food equipment business and logistics services business.

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.



CHAPTER IV REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

(I) In logistics field:

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



The Group's container manufacturing business has been leading the world in terms of production and sales volume since 1996, and as a leader in the global container industry, its production bases cover all major coastal and inland ports in China. It has the capacity to produce a full series of container products with independent intellectual property rights, which mainly consists of standard dry containers, reefer containers and special-purpose containers. In particular, 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. Currently, the main operating entity of the container manufacturing business is CIMC Container (Group) Co., Ltd. (中集集装箱(集团)有限公司) and its subsidiaries. The Company holds 100% equity interest in CIMC Container (Group) Co., Ltd. as at 31 December 2024.

During the Reporting Period, the container manufacturing business of the Group recorded a revenue of RMB62,205 million (same period in 2023: RMB30,213 million), representing a year-on-year increase of 105.89%, and a net profit of RMB4,088 million (same period in 2023: RMB1,794 million), representing a year-on-year increase of 127.84%.

During the Reporting Period, global demand for goods trade picked up, and according to the report issued in February 2025 by CLARKSONS (a global authoritative industry analyst), global container trade volume increased by 5.9% year-on-year to 213 million TEUs in 2024; at the same time, events such as the detour of European routes brought about by the Red Sea Incident and the port congestion caused by the strike of terminal workers resulted in lowered efficiency of container transportation, and the demand for containers increased. As a result, during the Reporting Period, the production and sales volume of the Group's container manufacturing business hit a record high. In particular, the accumulated sales volume of dry containers reached 3,433,600 TEUs (same period in 2023: 664,100 TEUs), representing a year-on-year increase of approximately 417.03%. The accumulated sales volume of reefer containers reached 138,600 TEUs (same period in 2023: 92,500 TEUs), representing a year-on-year increase of approximately 49.84%.

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REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

- **Expand the road transportation vehicles business**

Road Transportation Vehicles Business



CIMC Vehicles, the main operating entity of the Group's road transportation vehicles business, is a leading global high-end semi-trailer and specialty vehicle manufacturer, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. The Group held approximately 61.13% equity interest as at 31 December 2024. In the Chart of Global Semi-trailer Manufacturers for Sales Volume 2024 released by Global Trailer, CIMC Vehicles stayed in the first ranking once again.

During the Reporting Period, CIMC Vehicles achieved a revenue of RMB20,998 million (same period in 2023: RMB25,087 million), representing a year-on-year decrease of 16.30%; achieved a net profit of RMB1,081 million (same period in 2023: RMB2,448 million), representing a year-on-year decrease of 55.83%. The decrease in the net profit was primarily due to (1) the return of the operation in North America to a normal level, showing a decline as compared with the high performance in the same period of last year; (2) the disposal of equity interests in Shenzhen CIMC Special Vehicles Co., Ltd. in 2023. After deducting the income tax effects, the non-recurring gain arising from the disposal was approximately RMB848 million, which was non-recurring and the amount was large. Details of the principal operations are as follows:

- (1) **Global semi-trailer business:** During the Reporting Period, CIMC Vehicles sold 101,735 semi-trailers globally (same period in 2023: 116,677), and recorded a revenue of RMB14,952 million from its global semi-trailer business (same period in 2023: RMB18,806 million), representing a year-on-year decrease of 20.49%. In the domestic market, the sales volume of CIMC Vehicles in China's semi-trailer market increased by 12.02% year-on-year. It has maintained the top market share in China's semi-trailer market for six consecutive years, and its revenue achieved growth against market headwinds. In the overseas market, due to the return of the North American semi-trailer business from the high demand level in 2023 to the normal state, the overall sales volume in the overseas market has declined.
- (2) **Truck bodies products:** During the Reporting Period, CIMC Vehicles provided a total of 25,000 specialized truck bodies for Chinese new energy heavy-duty truck manufacturers and leading fuel/gas heavy-duty truck manufacturers, representing a year-on-year sales growth of 13.65%. Leveraging its own marketing advantages, CIMC Vehicles developed integrated fully-assembled vehicle solutions by combining certain gas-powered heavy-duty truck chassis with concrete mixer truck bodies for fully-assembled vehicle sales, thereby enhancing customer experience. The overall revenue from the truck bodies business reached RMB3,033 million (same period in 2023: RMB3,058 million), and its gross profit margin increased by 2.47 percentage point year-on-year.
- (3) **Pure electric tractors and trailers:** In 2024, in line with the development trend of new energy, CIMC Vehicles has introduced its pure electric tractor and trailer products to the market for the first time, primarily targeting application scenarios such as port transportation and concrete logistics.

CHAPTER IV REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

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



Through its subsidiary CIMC TianDa, the Group is engaged in the business of airport facilities and logistics equipment, fire safety and rescue equipment. During the Reporting Period, the Group increased its shareholdings in CIMC TianDa, in which the Group held approximately 63.63% equity interests as at 31 December 2024. The airport facilities and logistics equipment business mainly include passenger boarding bridges, airport ground support equipment, airport baggage handling systems, logistics handling systems and intelligent storage systems. The fire safety and rescue equipment business mainly covers comprehensive fire safety and rescue mobile equipment primarily based on various types of fire trucks, and also includes other fire safety and rescue equipment and services, such as various types of fire pump monitors, intelligent control and management systems for fire vehicles and various types of fire-fighting systems.

During the Year, CIMC TianDa recorded a revenue of RMB7,193 million (same period in 2023: RMB6,961 million), representing a year-on-year increase of 3.33%; and a net profit of RMB265 million (same period in 2023: RMB222 million), representing a year-on-year increase of 19.19%.

During the Reporting Period, there was an increase in the number of boarding bridges and ground air conditioning equipment for aircrafts completed for acceptance as compared to last year, which, together with the fire trucks ordered under the program to issue RMB1 trillion treasure bonds in China and the year-on-year increase in the number of fire trucks delivered overseas, boosted the year-on-year increase in the revenues of the two business lines of CIMC TianDa. However, as affected by the fierce competition in the industry and other factors, the profit increase was restricted to a certain extent. During the Reporting Period, the leading position of CIMC Tianda in the field of global airport equipment was further consolidated. CIMC Tianda successfully won the bidding for the projects of T2 terminal and baggage system of the Comprehensive Traffic Center of Phase II Reconstruction and Expansion Project of Jinan Yaoqiang International Airport with a total amount of approximately RMB557 million, continuing to maintain its leading position in the industry. Meanwhile, CIMC Tianda has joined hands with a third-party technology company to successfully research and develop the Ducted Fan High Altitude Tethered Fire Fighting Drone System (涵道風扇高空繫留滅火無人機系統), which aims to solve the difficulty in fighting high-rise building fires in cities, and has significant advantages over the existing high-altitude fire-fighting equipment in terms of operating height, operating time, response speed, spray liquid flow and safety.

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REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

- **Leverage the logistics services business**



CIMC Wetrans, the main operating entity of the Group's logistics services business, is committed to "becoming a high quality and trustworthy world-class multimodal transport enterprise". As at 31 December 2024, the Group held approximately 62.70% equity interests in CIMC Wetrans. Relying on its global network, with "customer + product" as core growth drivers and focusing on "internationalization + digital intelligence", CIMC Wetrans kept exploring ways to provide stable, efficient, low-carbon and visual logistics services to customers, and provided professional and personalized logistics solutions to specific customers. During the Reporting Period, CIMC Wetrans ranked as top 13 on the list of the 2024 Top 50 Ocean Freight Forwarders issued by Transport Topics, an authoritative magazine in the global logistics industry, and the third place among Chinese enterprises; it ranked among the top 4 for the first time in the Comprehensive List of Freight Forwarding and Logistics Enterprises released by the China International Logistics and Freight Forwarding Association; at the same time, it ranked among the "2024 Top 50 Logistics Enterprises in China" by the China Federation of Logistics & Purchasing once again.

During the Reporting Period, the logistics services business of the Group realised a revenue of RMB31,389 million (same period in 2023: RMB20,166 million), representing a year-on-year increase of 55.65%, and a net profit of RMB437 million (same period in 2023: RMB187 million), representing a year-on-year increase of 133.27%. During the Reporting Period, global merchandise trade showed a rebound in growth, driving strong cargo demand in the international container transportation market. Meanwhile, the substantial rebound in the freight rates of container transportation contributed to the growth in demand in the air and land transportation markets. The logistics services business team of the Group seized the market opportunities to expand business proactively, driving the business volume of major core products to achieve growth ranging from 2% to 49%, resulting in a record high in revenue.

CHAPTER IV REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group reviewed its logistics services business, with the main business developments as follows: (1) in respect of the end-to-end logistics business for cargo, the joint development pattern of sea, land and air transportation was further consolidated, with continuous optimization and upgrading. The proportion of terminal clients in the sea transportation business significantly increased, and efforts on centralized procurement were continuously strengthened. The land transportation business accelerated its overseas expansion and actively explored the “multimodal transport based on green transportation capacity” and “new business scenarios for rural revitalization”. The air transportation business has added new routes such as Shenzhen-Bangladesh route and China Southern Airlines’ Australia route, and successfully completed the transportation of athletes’ equipment for the 2024 Paris Olympics. The project logistics business has successfully accomplished several highly complex and time-sensitive engineering logistics projects, including semi-submersible vessel transportation in Southeast Asia and LNG station in Peru, which significantly enhanced its project execution capabilities. As for the cold chain business, both import and export cold chain logistics developed rapidly, with the market share of durian imported through the Mohan port exceeding 10%. (2) The port basic service business has been developing steadily, with increasing customer loyalty. In particular, the yard business has reached a new high in terms of business volume through collective marketing and the rapid advancement of strategic cooperation projects, with the volume of empty containers in and out of the yards exceeding 7.5 million TEUs for the whole year. In terms of customer development, we have established a land transportation corridor connecting China, Laos, Thailand, and Malaysia, and set up overseas steel warehouses in Poland and Belgium to further expand our international business. In terms of technology empowerment, the multimodal transport digital platform has been successfully launched, marking the growing influence of technology.

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



The Group’s recycled load business focuses on providing customers with comprehensive solutions for recycling packaging to facilitate carbon neutrality, which mainly provides professional recycled load R&D and manufacturing, shared operation service and comprehensive solutions for customers in industries including automobile, new energy power battery, photovoltaics, household appliances, fresh agricultural products, liquid chemicals, rubber and bulk commodities, etc. The recycled load business of the Group is carried out through CIMC Transportation Technology, in which the Group held approximately 63.58% equity interests as at 31 December 2024. A number of the innovative achievements of the Group’s recycled load business were awarded the first prize and third prize for scientific and technological progress of the “China Federation of Logistics & Purchasing Science and Technology Awards” for 2024.

During the Reporting Period, the recycled load business of the Group achieved a revenue of RMB2,429 million (same period in 2023: RMB2,834 million), representing a year-on-year decrease of 14.29%, and a net loss of RMB229 million (same period in 2023: net loss of RMB74 million), representing a year-on-year increase in loss of 207.98%, mainly due to the significant decline in the profitability of the manufacturing business as a result of the slowdown of growth in the new energy battery and other industries. Meanwhile, the operational benefits of new asset investment in the service business became gradually evident.

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(II) In energy field:

- **Carry out energy, chemical and liquid food equipment business with a focus on clean energy business:**



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 energy, chemical and liquid food equipment, as well as provision of relevant technical and maintenance services.

During the Reporting Period, the Group's energy, chemical and liquid food equipment business achieved a revenue of RMB25,579 million (same period in 2023: RMB25,026 million), representing a year-on-year increase of 2.21%, and net profits of RMB732 million (same period in 2023: RMB854 million), representing a year-on-year decrease of 14.31%. The main operating entity of the Group's energy, chemical and liquid food equipment segment is CIMC Enric, in which the Group held approximately 69.94% equity interests as at 31 December 2024. During the Reporting Period, CIMC Enric registered a revenue of RMB24,756 million (same period in 2023: RMB23,626 million), representing a year-on-year increase of 4.8%. The segment operating results of CIMC Enric are as follows:

1. The clean energy segment recorded a revenue of RMB17,183 million (same period in 2023: RMB14,907 million), representing a year-on-year increase of 15.3%. This is mainly due to favorable factors such as the dual increase in China's apparent natural gas consumption and LNG imports, the stable LNG prices, and the sustained high prosperity of the global shipping industry. Among them, the natural gas heavy-duty truck market maintained a high level of prosperity during the period. The sales revenue of LNG vehicle cylinders reached RMB1,140 million, representing a year-on-year increase of 31%, reaching a historical high. In particular, in the field of marine clean energy, the global shipping industry is accelerating its green transformation, and the order volume of alternative fuel vessels in global new ship orders has increased significantly. During the period, the cumulative new orders for CIMC Enric's marine clean energy business exceeded RMB10,000 million, reaching a new high. In the field of hydrogen energy business, as an internationally leading supplier of hydrogen energy equipment and solutions, CIMC Enric has been continuously improving its integrated solution capabilities. It has led the industry to breakthrough and successfully develop and put into practice products such as the first domestic liquid hydrogen spherical tank and the 450L Type III on-board hydrogen storage cylinder. It achieved an income of RMB850 million, and the income scale has maintained steady growth.

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2. The operating entity of the chemical and environmental segment is CIMC Safeway (301559.SZ) listed on the ChiNext Board of the Shenzhen Stock Exchange. As at 31 December 2024, the Group's indirect shareholding ratio through CIMC Enric was approximately 53.50%. During the period, the international environment was complex and intricate, the driving force for world economic growth was weak, the global chemical industry was under pressure. Coupled with the high interest rates of the US dollar, the financing costs of tank container lessors increased, and the market demand for tank containers decreased year on year. According to the statistics of the International Tank Container Organization (ITCO), as at January 2025, the global inventory of tank containers reached 882,000 units. In 2024, the newly manufactured tank containers amounted to 42,100 units, and the newly manufactured quantity decreased by 25.6% year on year. Besides, CIMC Safeway has been also proactively capturing the growth opportunities in the high-end medical equipment market. After over a decade of dedicated efforts and continuous improvements, its supporting products for high-end medical imaging equipment have earned widespread recognition from more and more industry leaders that gradually became the strategic partners of CIMC Safeway. In 2024, this business segment achieved steady revenue growth to RMB241 million.
3. The main operating entity of the liquid food segment is CIMC LPT. During the Reporting Period, factors such as interest rate fluctuations and the slowdown in consumption growth continued to affect the capital expenditure and investment decisions of the entire industry. Some overseas customers adopted a more prudent capital expenditure strategy, thus delaying the implementation process of some existing and new projects. In the face of challenges, this segment actively explored business opportunities for the transformation and upgrading of traditional solid-state fermentation enterprises in China, the localization of whisky, and green upgrading, owing to which a year-on-year increase in revenue was achieved.

- **Carry out offshore engineering business relying on offshore resources:**



The Group is engaged in the offshore engineering business mainly through CIMC Raffles, in which the Group indirectly held approximately 83.30% equity interest as at 31 December 2024. The offshore engineering business is operated under an integrated operating model covering design, procurement, manufacturing, construction, commission and operation and provides mass and industrialised construction of high-end offshore engineering equipment and other special vessels, making it one of the leading contractors of high-end offshore engineering equipment in China. Its major businesses include manufacture of oil and gas equipment with a focus on FPSO and FLNG, construction of offshore wind power equipment with a focus on wind power installation vessels, and manufacture of special vessels including ro-ro ships.

During the Reporting Period, the offshore engineering business of the Group recorded a revenue of RMB16,556 million (same period in 2023: RMB10,452 million), representing a year-on-year increase of 58.41%, and a net gain of RMB224 million (same period in 2023: net loss of RMB31 million).

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During the Reporting Period, the global shipping and offshore engineering market environment continued to improve, international oil prices were at a relatively high level, which still has a promoting effect on the oil and gas production platforms, the continuous growth in marine operation activities drove the utilisation ratio of and the rental for offshore engineering equipment to be on the rise, and the offshore engineering equipment market continued to recover. The newly signed orders during the Reporting Period amounted to US\$3,250 million (same period in 2023: US\$1,680 million), including the maintenance and reconstruction of one FLNG, two turnkey projects for FPSO hull construction, three ro-ro ships and orders for other clean energy projects. As at the end of 2024, the accumulated value of orders on hand increased by 27% to US\$6,920 million (same period in 2023: US\$5,470 million), of which the proportion of the oil and gas business, wind power installation vessels and ro-ro ships was approximately 3:1:1. The manufacturing of these orders has been booked up to 2027.

In respect of delivery: during the Reporting Period, the oil and gas business delivered three FPSO modules and converted FPSO of the Mero project to customers. The special vessels business delivered seven automotive ro-ro ships and two wind power installation vessels.

(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, which is aimed at enhancing the efficiency and effectiveness of fund utilisation within the Group, providing necessary industrial financial solutions to support the Group's integrated strategy through diversified financial services, and carrying out equipment manufacturing and product services to achieve cross-segment integration and upgrading of manufacturing and technology within the Group. Meanwhile, with supply chain finance, it facilitates the Group's strategic expansion, business model innovation, industrial structure optimisation and overall competitiveness enhancement. Besides, a platform for existing offshore engineering assets is operated under the business segment to generate asset returns. The main operating entities are CIMC Finance Company and Offshore Engineering Asset Management Platform Company.

During the Reporting Period, the Group's finance and asset management business achieved a revenue of RMB2,079 million (same period in 2023: RMB2,218 million), representing a year-on-year decrease of 6.30%, and net loss of RMB1,804 million (same period in 2023: net loss of RMB2,441 million), representing a decrease in loss of 26.09% year-on-year, mainly due to the increase in the occupation rates and rentals of offshore engineering platforms during the Reporting Period as compared to the same period last year.

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- **CIMC Finance Company:**

During the Reporting Period, CIMC Finance Company, upholding the concept of maximising the interest of the Group, collaborated with the Group to enhance the efficiency and effectiveness of fund management, and provided quality comprehensive financial services to the Group.

During the Reporting Period, CIMC Finance Company upheld the operating principle of “relying on and serving the Group”, adhered to its functional positioning, and continuously improved the quality and efficiency of its services. It continued to carry out in-depth operation and management of the Group’s pooled funds, firmly established customer awareness and service awareness, optimised the functions of financial services and products, and endeavoured to promote the Group’s pooling of funds. CIMC Finance Company continued to enhance its precise financial services in line with the Group’s industrial practices, swiftly responded to the needs of customers, and actively offered financial support by providing member enterprises with credit facilities equivalent to an aggregate of RMB6,335 million during the year to enhance the Group’s capital efficiency. It strictly enforced the Group’s foreign exchange risk control policy, continuously optimised the “Foreign Exchange Manager” service, expanded the service capability of the foreign exchange business, and assisted in foreign exchange risk management of the industry. It also continued to optimise and innovate the business model of financial products and services, such as the direct connection between treasury and enterprises, super online banking, cash management platform and guarantee business, increase promotion efforts, and expand its coverage to provide strong support for the Group’s high-quality development.

- **Offshore engineering asset operation and management business of CIMC:**

During the Reporting Period, there were a total of 14 offshore engineering vessels assets involved in the offshore engineering asset operation and management business of the Group, including 2 ultra-deepwater semi-submersible drilling platforms, 3 semi-submersible drilling platforms for severe sea conditions, 3 semi-submersible lifting/life support platforms, 3 400-foot jack-up drilling platforms and 3 300-foot jack-up drilling platforms.

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During the Reporting Period, oil companies re-examined new energy transformation, adjusted development strategies, slowed down the pace of transformation and re-focused on oil and gas production. The slow recovery of the global macro-economy and the volatility of crude oil prices continued to affect the global offshore drilling market. The gradual return of oil prices to the fundamentals of supply and demand and the competition of a large number of drilling platforms for the long-term projects of oil companies have aggravated market competition, and put pressure on the utilisation rate and rates of the offshore drilling market in the second half of the year. The jack-up drilling platform market was affected by the suspension of operations of a number of platforms by Saudi Aramco and Petroleos Mexicanos, resulting in a significant decline in the utilisation rate and a downward trend in the global average daily rates. The Nordic middle-deep-water semi-submersible drilling platforms for severe environment benefited from the energy demand in Europe, with a steady growth trend in the utilisation rate and daily rates. The market for ultra-deepwater semi-submersible platforms was partially affected by the delay in the development plans of oil companies, resulting in a decline in the utilisation rate as compared to that of the beginning of the year.

During the Reporting Period, the offshore engineering asset operation and management business of CIMC continued to leverage on its existing project experience and business capabilities, further consolidated its cooperative relationship with customers at home and abroad, and capitalised on its excellent offshore engineering platform operation and management capabilities to improve asset rental rates, successfully signing new lease contracts for 2 platforms. One semi-submersible platform in severe environment successfully completed the 5-year special inspection and continued to provide safe and high-quality services to customers. Multiple other platforms have also been actively participating in market tenders through various channels to seek business opportunities such as asset disposal and leasing.

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(IV) Innovative Businesses that highlight the advantage of CIMC:

While focusing on its main business, the Group has adopted “exploration and innovation (開拓創新)” as its core value, insisted on technology as the first productivity, and used innovative business as a new driving force for the Group’s high quality development, integrated the advantageous resources of each segment, captured the possible opportunities in the industrial chain and competence circle, strengthened technological innovation and product innovation, and shaped the new competitive advantages of each business with technological innovation to create breakthroughs. The Group’s main innovative businesses are as follows:

- **Cold chain logistics:**



During the Reporting Period, the cold chain business of the Group, on the one hand, stabilised the fundamentals of reefer containers to maintain its leading market position in the industry; on the other hand, it increased the strategic deployment of the pharmaceutical cold chain, industrial temperature control and other areas, took temperature control equipment as the focus of the new business strategic deployment, and actively carried out market research and business exploration on chillers, heat pumps, ventilators, and other industries, which have achieved a breakthrough in progress. (1) In terms of incremental special containers, the revenue witnessed a slight year-on-year growth. The Group also increased its efforts in product iteration and market development for aviation containers and equipment assembly containers. During the Reporting Period, RAP active temperature-controlled containers successfully obtained the permission from Air China for installation. (2) The pharmaceutical cold chain business has been included in the TOP 20 list of pharmaceutical cold chain transportation capacity of the China Federation of Logistics & Purchasing for 5 consecutive years, and won the “10th Anniversary of the Standardisation of Pharmaceutical Logistics — Advanced Unit of Standardisation” and the Advanced Individuals awarded by the China Federation of Logistics & Purchasing.

- **Energy storage technology:**



In 2024, the global installed capacity of energy storage systems maintained the momentum of rapid growth. However, the price of battery cells has continued to decline and affected the energy storage systems, with continues intensified competition in the industry. The successive implementation of the new Basic Rules for Operation of Electricity Market (《電力市場運營基本規則》) and the new Energy Law (《能源法》) has reflected the country’s firm attitude towards the vigorous development of new energy, accelerating the promotion of the establishment of a unified national electricity market. “Bidding for distribution and storage” may become the mainstream in the future. In 2024, the industry evidently shifted from “mandatory distribution” to marketisation, with an apparent “three-tiered” market price of energy storage products. The degree of price involution will intensify in the short term.

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During the Reporting Period, the Group's energy storage business continued to explore markets and carried out innovation in an active manner. In terms of the overseas market, the Group further deepened its cooperation in the energy storage business with customers such as POWIN and LG, and jointly researched and developed the world's first set of modular wind turbine cabin in a container with VESTAS of Denmark, which filled a gap in the market. In terms of the domestic market, the Group joined hands with the government and partners to promote net zero carbon parks, mobile energy storage, city-wide superchargers, and the applications of other scenarios and products. Meanwhile, it has also actively participated in the formulation of IEEE (Institute of Electrical and Electronic Engineers), national and industry standards to facilitate the standardised development of energy storage technologies. In the face of fierce market competition, the Group's energy storage business will continue to carry out in-depth cooperation with major customers and expand new application scenarios, while catering to the needs of end-customers and strengthening the research and development of technological innovation in order to enhance its competitive advantages.

- **Modular building business:**



During the Reporting Period, the Group's modular building business continued to vigorously explore domestic and overseas markets, strengthened technological research and development and management enhancement, and obtained good response in the Southeast Asian market, with the total amount of newly signed orders reaching approximately RMB900 million during the Reporting Period. During the Reporting Period, the major projects delivered for the Group's modular building business included the world's first mega modular data centre — Malaysia K2 project, which provided customers with quality, efficient and sustainable building solutions. The project was granted the 2024 World's Best Data Centre Project Award by Data Centre Dynamic.

(V) Capital Operations in relation to Main Businesses:

During the Reporting Period, the significant events of the Group in respect of capital operations are as follows: (1) in order to protect the value of the Company and interests of shareholders, the Company repurchased a total of 24,645,550 A shares at a price of RMB200 million by way of centralized bidding trading through its specific securities account for repurchase during the period from 15 January 2024 to 31 January 2024, and the repurchase of a portion of A shares has been completed; (2) considering the low trading volume and limited liquidity of CIMC Vehicles' H shares, and the one-off investment income generated from the repurchase of CIMC Vehicles' H shares to its H shareholders, CIMC Vehicles had completed the repurchase of H Shares under offer and the voluntary delisting, with the H Shares officially delisted from the Hong Kong Stock Exchange on 3 June 2024; (3) on 28 June 2024, CIMC LPT, an indirectly controlling subsidiary of the Company, received a listing approval notice from the NEEQ. The public transfer of CIMC LPT on the NEEQ has commenced on 8 August 2024.

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III. FUTURE DEVELOPMENT AND PROSPECTS OF THE COMPANY

In the next five years, CIMC will follow the guidance of national policies based on the situation in the new development stage, and will also continue the implementation of the strategic theme of “accelerating the construction of new growth drivers and focusing on promoting high-quality development” and coordinate the reasonable growth of “quantity” and the effective improvement of “quality”, so as to “become a high-quality and respected world-class enterprise”.

(I) Industrial Analysis and Corporate Operating Strategy of Major Business Segments

1. In the Logistics Field:

Container Manufacturing Business

According to the report issued in February 2025 by CLARKSON'S, the global container trade volume is expected to see a growth of 2.9% in 2025, which suggests a growing outlook for the transportation demand in the container transportation market. The effective transportation capacity, container turnover efficiency and supply chain of global container transportation continue to be under the impacts imposed by the uncertainty of the resumption of shipping in the Red Sea, the uncertainty of trade policies, and the restructuring of Shipping Alliances and route adjustment. Owing to the demand for spare containers brought about by these uncertain events in the container transportation market and the stable replacement rate of old containers, the demand for new containers is expected to be underpinned by the stable fundamentals in 2025.

In 2025, we will adopt the main business tone of “stable and quality development and achieving breakthroughs in business innovation” for its traditional container manufacturing business. We will continue to enhance our comprehensive competitiveness and ensure our leadership position in the industry. In response to market changes, we will achieve continuous productivity improvements through rapid response, flexible manufacturing and enhanced internal collaboration. In terms of manufacturing and delivery, we will embrace new quality productivity by adopting intelligent, lean and digital management methods to continuously improve product quality and cost competitiveness. As for business innovation, we will continue to increase R&D investment in new products, new materials and new technologies, strengthen innovation on containers + products and devote ourselves to developing incremental business.

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Road Transportation Vehicles Business

In 2025, China's semi-trailer and specialty vehicle industry will encounter a structural inflection point under the dual influence of policy-driven factors and technological transformations. On the one hand, it is expected that fiscal and monetary policies will continue to actively cooperate. By stimulating demand through infrastructure construction plans and reducing financing costs, the industry is expected to embrace opportunities for restorative growth. On the other hand, the state's policy support for environmental protection and intelligent development will drive the semi-trailer industry towards a green and intelligent direction. In terms of the overseas market, the North American semi-trailer market is expected to enter a new stage, achieving moderate recovery. At the same time, the European semi-trailer market is expected to foster new opportunities amid recovery and differentiation. Regarding emerging markets, benefiting from regional economic growth and the competitive advantages of Chinese products when going global, the overall market will continue to maintain a growth trend.

CIMC Vehicles will accelerate the promotion of its third entrepreneurial endeavor. Led by innovative scientific and technological advancements, supported by innovative resource allocation methods, and with innovative production organization forms and business models at its core, it will comprehensively build new-quality productive forces and export these new-quality productive forces globally, thereby enhancing product gross profit margins and profitability.

Airport Facilities and Logistics Equipment, Fire Safety and Rescue Equipment Business

In respect of the airport facilities and logistics equipment business: The aviation industry witnessed a trend of recovery; however, it is expected that the demand will fluctuate in the future due to the economic and trade environment and the successive completion of large-scale airport renovation and expansion projects. Leveraging on years of experience in the airport facilities industry and its own advantages, CIMC TianDa has been developing in a steady manner, and has actively secured orders at home and abroad, thereby successfully maintaining its leading position in the industry. With the increasingly mature development of artificial intelligence and the growing demand for a green, environmentally-friendly and low-carbon economy, CIMC TianDa will continue to strengthen the development of its products in the direction of intelligence, digitisation, and low-carbon and environmental protection, pay more attention to the application of new materials, new technologies and new processes in the research and development of products, as well as place more emphasis on weight reduction, energy conservation and maintenance convenience while enhancing the functionality of products. With respect to the logistics equipment, CIMC TianDa will strengthen the order acquisition and delivery capability of its in-airport business (especially baggage systems and air cargo terminals), vigorously explore overseas markets, and cultivate industries where automated logistics has an advantage (e.g. chemical industry, lithium-ion battery industry, etc.)

In respect of the fire safety and rescue equipment business: Upon gradual completion of the program to issue RMB1 trillion treasure bonds in China, it is expected that the demand for domestic fire trucks will decrease in the year to come. CIMC TianDa has been determined to enhance its competitiveness by increasing its investment in the research and development of high-end series of products such as sky lifts and products with new technological applications, strengthening integrated marketing and services, and enhancing sales efficiency to secure a larger and wider market share. In addition, in the future, it will continue to deepen the improvement of the governance of overseas enterprises, enhance the operational efficiency of all European factories, increase the use of China's supply chain and a variety of domestic vehicle models to reduce costs, and enhance the competitiveness and profitability of fire trucks under the CIMC TianDa brand in the high-end markets of Europe and China.

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Logistics Services Business

Looking ahead to 2025, the supply and demand of the container transportation market will undergo new adjustments. It is expected that the complex situation in 2024 will persist, and Asian and emerging markets may become the main driver behind the global trade growth. In the face of the complex and ever-changing market environment, CIMC Wetrans will strengthen its risk control capability, capture the opportunities arising from the regional markets, accelerate digital transformation, and seek new profit growth points amidst changes.

The logistics services business of the Group will lead the global development with high-quality operation, leveraging on products and customers to evolve from “cargo control” to “strong chain” and global “network” in the whole process. It will 1) adopt a customer-oriented and industry-oriented approach to focus on key areas such as steel, new energy, automobiles and parts and components, and provide customised and professional logistics solutions; 2) unwaveringly expand the global business presence, accelerate the integration of network resources in strategic regions such as North America, Europe, Southeast Asia and the Middle East, and strengthen the construction of service capabilities; 3) implement the new operation and management model for the shipping company and strengthen the integration and synergies; 4) explore the new paradigm of integrated logistics hub, promote the synergistic development of terminal and shipping agency business, and enhance market competitiveness; 5) adhere to the principle of “driven by technological innovation”, and focus on the construction of a more intelligent, efficient and sustainable smart supply chain ecosystem on the basis of continuous optimisation of the systematic coverage and digital upgrade of its traditional business to help customers of various industries to achieve cost reduction and efficiency enhancement; 6) conduct in-depth development of a high-quality operation and management system, and strengthen talent protection, in order to lay a solid foundation for business development.

Recycled Load Business

Looking forward to 2025, benefiting from the enhanced awareness of environmental protection and the implementation of the circular economy concept, the recycled load business will maintain the trend of expansion, with the continuous increase in the popularity and penetration rate in the industry. Meanwhile, the investment in intelligence and digitalisation, as well as the innovation and upgrade of materials will also become the two major directions of technological innovation in the industry.

In 2025, the Group’s recycled load business will cultivate the major target markets of new energy, automobiles, fast moving fresh products, rubber and chemical industry, while actively expanding into the Southeast Asian market, promoting the landing of partial process of the manufacturing business in Southeast Asia, and expanding the team scale of the service business in Southeast Asia. At the same time, in respect of operations, the Group will strengthen and stabilise the business fundamentals, and make every effort to optimise and improve enterprise profitability, so as to achieve a fundamental improvement in the operation. At present, CIMC Transportation Technology has presence in several industries of high market value, including automobile, rubber, photovoltaic power, new energy battery, fast moving consumer goods and secondary commodities. The market value of the relevant businesses will continue to increase. In the future, CIMC Transportation Technology will adhere to its strategic focus, further stabilise the operation of its service business lines, enhance the overall profitability, and promote the restoration of the overall profit contribution of the manufacturing business.

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2. In the Energy Industries Field:

Energy, Chemical and Liquid Food Equipment Business

Clean Energy Segment: As a clean, stable, and safe transitional energy source, LNG plays an important role in the global energy transition. Data from the International Energy Agency (IEA) shows that global natural gas consumption reached a new high in 2024, and it is predicted that the growth trend will continue in 2025, with an increase of approximately 100 billion cubic meters. With the upgrading of environmental protection requirements, the construction of new ships powered by alternative fuels such as LNG, methanol, and liquid ammonia is growing steadily globally. In China, with the implementation of the Implementation Rules for the Scrap and Renewal Subsidy of Old Operating Ships in Transportation, old ships are expected to be replaced at an accelerated pace, driving the continuous growth of demand for LNG-powered ships, LNG marine tanks and power packs, LNG shore-to-ship refueling, etc. In the field of hydrogen energy, currently, hydrogen energy has been legally determined as an important part of China's national energy system. It is an important carrier for achieving a green and low-carbon transformation at the energy consumption end and a development direction for strategic emerging industries. CIMC Enric will continue to maintain its leading edge in key equipment and core processes, enhance research and development capabilities, and leverage its strengths in the intelligent manufacturing of equipment related to natural gas, as well as renewable energy sources such as hydrogen energy, green methanol, and green ammonia, engineering services, and integrated solution capabilities to assist customers in various segments of the industrial chain in successfully achieving a low-carbon transformation. At the upstream resource end, we will continue to promote the replication and implementation of strategic projects for clean alternative fuels, such as the co-production of hydrogen from coke oven gas and LNG, and the production of green methanol from biomass, and continue to transform into a "comprehensive service provider". It is expected that in 2025, the Group's first demonstration project for the production of 50,000 tons of green methanol per year will be put into operation, setting a benchmark for the industry. In the terminal application segment, CIMC Enric will continue to support the green upgrading of the transportation sector, and back the application of LNG heavy trucks, hydrogen fuel cell vehicles, etc. in the transportation field. At the same time, it will accelerate the development of comprehensive distributed energy services, expand diverse application scenarios, effectively reduce carbon emissions and save energy for customers in industries such as industry, construction, and agriculture, and accelerate the decarbonization process. CIMC Enric will also promote the research and development of smart energy equipment and platform construction, create an "on-land network" and a "marine network", connect clean energy equipment, achieve digital and intelligent management, and foster a new business model for the energy internet.

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Chemical Environment Segment: In the long run, the tank container market will maintain a spiral upward trend and progress towards a greener logistics model that is safer, more economical, more environmentally friendly, and smarter. This segment will thoroughly implement the medium-and long-term strategy of “Lean Innovation, Intelligent Transformation and Digital Upgrading, Connecting the World with Tanks, and Green Development”. By focusing on excellent operations, it will continuously enhance its innovation and research and development capabilities, increase the penetration rate of tank containers, expand into emerging markets, and practice the development concept of low-carbon and environmental protection. Against the backdrop of the vigorous development of the new energy industry and the state’s strong support for high-end technology industries, this segment focuses on multiple key areas, actively responds to changes in market demand, and continues to deeply cultivate diverse businesses such as chips, semiconductors, food transportation, medical equipment, and intelligent equipment to achieve high-quality growth.

Liquid Food Segment: The global bio-fermentation market is entering a period of rapid growth. Driven by technology, policies, and demand, the market size is expected to continue to expand. In the future, the industry will exhibit trends of “high-end orientation, green development, and scenario-based applications”, and emerging markets and innovative product categories will become the core engines of growth. In the face of the changing market, this segment continues to pay attention to the development opportunities in new tracks such as domestic spirits, improves the level of automation and intelligence, and helps customers achieve sustainable development goals. At the same time, it continues to focus on the development layout of diverse categories such as biomedicine. In the long run, the overseas beer and spirits markets will develop favorably, and the investment decisions of most customers will be restored. This segment will actively monitor changes in the global market and seize development opportunities.

Offshore Engineering Business

(1) In respect of the oil and gas platform business: The relatively high oil prices continue to stimulate oil and gas production platforms. Considering market supply and demand prospects, the offshore engineering construction market is evidently entering an upward cycle. The FPSO/FLNG market has high short-term demand and ample long-term project reserves. It is anticipated that offshore engineering manufacturers will maintain high capacity utilisation rate over the next 3-5 years. Leveraging their advantage in industrial cluster effect, the offshore engineering manufacturers in China are competing for orders with high technical threshold with those in Japan and South Korea. (2) In respect of the clean energy business: Carbon neutrality brings major development opportunities for the industry. Offshore wind power, hydrogen energy utilisation, offshore photovoltaics will form a colossal industry scale, which will further consolidate the transformation of global offshore engineering equipment. The global offshore wind power will maintain sustainable and rapid development in the long run. (3) In respect of the ro-ro ship business: The supply and demand are gradually stabilising, but ageing vessels suffer from low operational efficiency and high energy consumption and emissions. The continual growing sales of new energy vehicles worldwide promotes the expansion of global automobile seaborne trade volume, which, superimposed by factors such as environmental protection, will lead to stable demand in the newbuilding market of ro-ro ships for the next 2 years.

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In 2025, the Group's offshore engineering business will continue to actively promote transformation, and integrate the industry mapping. Taking offshore oil and gas as the foundation, the Group will gradually expand to new energy sources to form a business portfolio that dilutes the impacts of industrial cycle. On the whole, the oil and gas platform business will continue to make breakthroughs in technical thresholds and capacity in securing orders. The clean energy business will continue to take advantage of the strengths in design and construction of high-end offshore engineering equipment, focusing on offshore wind power assembly and wind power operation and maintenance businesses. In respect of the ro-ro ship business, CIMC Raffles of the Group will seize market opportunities to expand its advantages in the market. Risks will be strictly controlled and lean management will be implemented while maintaining the fundamental of continuous and quality growth of orders and ensuring contract fulfilment and delivery, so as to improve the quality and efficiency of operations.

3. Finance and Asset Management Business:

CIMC Finance Company

Looking ahead to 2025, China is expected to implement a more proactive fiscal policy and moderately loose monetary policy, with timely reduction in reserve requirement ratios and interest rates to maintain ample liquidity. Market interest rates are expected to continue to decline. By closely focusing on its business strategy of "creating unlimited value for customers within the limited scope of business, deepening coordination with the Group's fund management, focusing on customer needs, enhancing service capabilities, empowering industries to create value and supporting the Group's high-quality development", CIMC Finance Company will systematically improve the centralized management of funds, consolidate the foundation for centralized fund management, and facilitate the optimisation of resource allocation within the Group; actively leverage its advantages and value in the Group's fund management and do a good job in coordinating the Group's fund management; tap into the financial service needs of its customers, and provide precise and differentiated financial service solutions to continuously enhance its customer service capabilities and service quality. At the same time, CIMC Finance Company will strengthen its information technology construction, cultivate a culture of compliance, and optimise talent development mechanism to advance towards excellence, creating greater value for the Group, its business segments and its members.

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Offshore engineering asset operation and management business of CIMC

Looking forward to 2025, the international oil and gas market will still be affected by the fundamentals of supply and demand balance, with limited short-term impact of geopolitical conflicts. According to data from international research institutions such as Rystad and S&P Global, based on the current global economic and political situation, the average oil price of Brent Crude is estimated to fall in a range of US\$75 to US\$78 per barrel in 2025. Ensuring energy security remains a priority for many countries in order to drive global oil and gas investment to maintain the recovery trend. At the same time, it is expected that the offshore projects that were extended in 2024 will gradually enter the exploration and development stage in the next two years, which will exert a positive impact on the growth of the utilisation rate of drilling platforms. Supply chain constraints on the drilling platforms will persist over the next few years, and the outlook for market demand remains generally optimistic.

In 2025, the offshore engineering asset of CIMC will continue to focus on customer needs, pay attention to popular regional markets, actively participate in customer tenders, improve customer satisfaction, expand future cooperation opportunities, continue to strengthen cost control capability and core competitiveness through lean management, continue to promote in-depth cooperation with existing customers, and expand opportunities for cooperation with internationally renowned customers, in an attempt to capture market opportunities and improve the profitability of the assets.

(II) Major Risk Factors in the Future Development of the Group

Risk of economic periodic fluctuations: the industries that the principal businesses of the Group are 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 trade protectionism and anti-globalisation: the rise of global trade protectionism disrupted national policy stances and posed a threat to the growth of global trade. Part of the Group's principal businesses will be affected by global trade protectionism and anti-globalisation.

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Risk of economic restructuring and industrial policies 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.

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. The increased volatility and frequency of the exchange rate of RMB against USD which may be resulted from the continuous fluctuation of the global financial market will pose new challenges to the foreign currency and capital management of the Group.

Market competition risks: the Group faces competition from both domestic and foreign enterprises in respect of its various principal businesses, leading to imbalance between supply and demand. 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: raw materials account for a relatively high proportion in the cost structure of the Group's products. At the same time, the Group's major finished products are metal products and its raw materials include steel, aluminium and timber. The global economy presents a trend of regional differentiation, and supply and demand and price will also become complicated and volatile, which bring uncertainties to the Group's operating result.

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IV. ANALYSIS OF CORE COMPETITIVE ADVANTAGES

Development Philosophies of Globalisation

The Group has always been committed to globalised business deployment, leveraging on its global network and brand advantages accumulated over 40 years. The Group's existing principal businesses cover container manufacturing business, road transportation vehicles business, energy/chemical/liquid food equipment business, offshore engineering business, logistics services business, airport facilities and logistics equipment, fire safety and rescue equipment, 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/liquid food equipment and offshore engineering businesses with strong global competitive edges. The efficient implementation of globalised business deployment effectively offset the adverse impact from periodic fluctuations of the global market in recent years on the Group's results.

A Scientific and Efficient Corporate Governance Mechanism

Relying on its unique mixed-ownership advantage, CIMC has built a balanced shareholding structure and a standardized "Three Boards and one Management" governance mechanism to ensure efficient decision-making and effective governance. The innovative governance model is reflected in the diversified and professional board structure and efficient operation mechanism, with the in-depth participation of directors and supervisors and enhanced prior communication to ensure scientific decision-making. By continuously optimising the corporate governance system, the Group has formed an internal and external interactive supervisory mechanism, combined with rigorous implementation of internal audit and control, to ensure that the strategies are scientifically and effectively executed. The distinctive governance practices and market-oriented governance enable CIMC to energize the management's vitality and focus on market orientation, laying a solid foundation for the Group to move forward steadily in global competition.

Lean Production Management Capabilities in Intelligent Manufacturing

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.

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Integrated Resources and Ability to Achieve Collaborative Development

Guided by the national key development areas and the strategic development of the Group, during the Reporting Period, the Group gave full play to its internal and external synergy advantages, optimised the top-level design of its business, implemented the coordinated development strategy of various segments, and expanded the domestic market in key areas. During the Reporting Period, the Group, through the capital cooperation with key partners, optimised the market network of and introduced market resources for the relevant business; besides, the Group promoted the internal and external resource collaboration and model innovation by strengthening cooperation with governments, customers and other parties, striving to provide one-stop overall solutions for downstream customers.

Continuous Innovation and Technological Research and Development Capabilities

The Group always attaches great importance to continuous innovation and 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. As at the end of 2024, the Group boasted 8 National Single-Discipline Champion Enterprises (Products) in the Manufacturing Industry recognized by the Ministry of Industry and Information Technology.

Good Brand Image

With more than 40 years of commitment to manufacturing, CIMC has become a leader in various sectors including container manufacturing, road transportation vehicles, energy, chemical and food equipment, airports equipment and offshore engineering. Currently, more than 80 kinds of products under the “CIMC” brand are exported to more than 100 countries and regions all over the world, and a number of champion/star products such as containers, semi-trailers, drilling platforms, boarding bridges of CIMC have become shining business cards endorsing the brand of CIMC, earning global reputation and respect for “Made in China” products. At present, CIMC ranks 72nd on the “2024 China Listed Companies Brand Value List (TOP100 Overall List)” launched by Daily Economic News and the China Enterprise Research Center of Tsinghua University’s School of Economics and Management, and CIMC has become a globally renowned brand with extensive influence in the global logistics and energy industries.

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V. ANALYSIS OF FINANCIAL DATA

(I) Analysis of Principal Businesses

1. Indicators by Industry, Business and Region

(1) Indicators by industry, business and region for the year

Unit: RMB thousand

Indicators for 2024	Revenue	% of revenue	Year-on-year change in revenue	Cost of sales	% of cost of sales	Year-on-year change in cost of sales	Gross profit	Gross profit margin	Year-on-year change in gross profit margin
By industry/product									
Containers manufacturing	62,205,203	35.01%	105.89%	52,505,891	33.78%	106.58%	9,699,312	15.59%	(0.29%)
Road transportation vehicles	20,998,201	11.82%	(16.30%)	17,571,338	11.31%	(13.94%)	3,426,863	16.32%	(2.30%)
Energy, chemical and liquid food equipment	25,579,491	14.40%	2.21%	22,046,149	14.19%	4.10%	3,533,342	13.81%	(1.57%)
Offshore engineering	16,555,963	9.32%	58.41%	15,048,245	9.68%	58.14%	1,507,718	9.11%	0.15%
Airport facilities and logistics equipment, fire safety and rescue equipment	7,193,101	4.05%	3.33%	5,718,463	3.68%	3.22%	1,474,638	20.50%	0.08%
Logistics services	31,389,341	17.67%	55.65%	29,450,699	18.95%	57.01%	1,938,642	6.18%	(0.80%)
Recycled load	2,429,355	1.37%	(14.29%)	2,189,995	1.41%	(12.34%)	239,360	9.85%	(2.01%)
Finance and asset management	2,078,522	1.17%	(6.30%)	2,239,986	1.44%	(16.57%)	(161,464)	(7.77%)	13.27%
Others	11,983,389	6.74%	48.44%	10,626,125	6.84%	47.06%	1,357,264	11.33%	0.84%
Combined offset	(2,748,468)	(1.55%)	(14.67%)	(1,979,553)	(1.28%)	29.04%	(768,915)	27.98%	14.59%
Total	177,664,098	100.00%	39.01%	155,417,338	100.00%	40.72%	22,246,760	12.52%	(1.07%)
By region (by geographical locations of customers)									
China	82,415,289	46.39%	23.43%	-	-	-	-	-	-
America	36,012,089	20.27%	51.21%	-	-	-	-	-	-
Europe	25,453,855	14.33%	41.78%	-	-	-	-	-	-
Asia (excluding China)	27,449,650	15.45%	75.15%	-	-	-	-	-	-
Others	6,333,215	3.56%	76.04%	-	-	-	-	-	-
Total	177,664,098	100.00%	39.01%	-	-	-	-	-	-

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(2) Indicators by industry, business and region in the same period of the previous year

Unit: RMB thousand

Indicators for 2023	Revenue	% of revenue	Year-on-year change in revenue	Cost of sales	% of cost of sales	Year-on-year change in cost of sales	Gross profit	Gross profit margin	Year-on-year change in gross profit margin
By industry/product									
Containers manufacturing	30,213,342	23.64%	(33.90%)	25,416,240	23.01%	(27.26%)	4,797,102	15.88%	(7.68%)
Road transportation vehicles	25,086,578	19.63%	6.21%	20,416,694	18.49%	(0.33%)	4,669,884	18.62%	5.33%
Energy, chemical and liquid food equipment	25,026,294	19.58%	17.77%	21,177,752	19.18%	20.08%	3,848,542	15.38%	(1.63%)
Offshore engineering	10,451,588	8.18%	81.12%	9,515,598	8.62%	77.07%	935,990	8.96%	2.08%
Airport facilities and logistics equipment, fire safety and rescue equipment	6,961,455	5.45%	4.34%	5,540,084	5.02%	5.96%	1,421,371	20.42%	(1.22%)
Logistics services	20,166,049	15.78%	(31.28%)	18,757,627	16.98%	(32.47%)	1,408,422	6.98%	1.64%
Recycled load	2,834,339	2.22%	(41.55%)	2,498,281	2.26%	(38.37%)	336,058	11.86%	(4.55%)
Finance and asset management	2,218,155	1.74%	29.81%	2,684,912	2.43%	60.83%	(466,757)	(21.04%)	(23.35%)
Others	8,072,697	6.32%	(13.23%)	7,225,737	6.54%	(12.14%)	846,960	10.49%	(1.11%)
Combined offset	(3,220,978)	(2.54%)	51.90%	(2,789,804)	(2.53%)	49.06%	(431,174)	13.39%	(4.82%)
Total	127,809,519	100%	(9.70%)	110,443,121	100.00%	(7.90%)	17,366,398	13.59%	(1.69%)
By region (by geographical locations of customers)									
China	66,770,299	52.25%	(8.38%)	-	-	-	-	-	-
America	23,816,206	18.63%	(12.97%)	-	-	-	-	-	-
Europe	17,953,577	14.05%	(30.79%)	-	-	-	-	-	-
Asia (excluding China)	15,671,885	12.26%	25.15%	-	-	-	-	-	-
Others	3,597,552	2.81%	26.87%	-	-	-	-	-	-
Total	127,809,519	100.00%	(9.70%)	-	-	-	-	-	-

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The information on the Company's principal business for the previous year collected by using the modified statistical method which was adopted during the Reporting Period.

☐ Applicable ☒ Not applicable

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

☒ Yes ☐ No

Industry classification	Item (Sales volume)	2024	2023	Year-on-year Change (%)
Containers manufacturing	Dry containers (ten thousand TEU)	343.36	66.41	417.03%
	Reefer (ten thousand TEU)	13.86	9.25	49.84%
Road transportation vehicles	Semi-trailer (unit)	101,735	116,677	(12.81%)
	Truck bodies for specialty vehicles (unit)	25,388	22,338	13.65%
Offshore engineering	Offshore products	14	16	(12.50%)

Reasons for relevant information changes by over 30% on a year-on-year basis: In 2024, the global economy and trade showed signs of recovery. However, due to uncertainties such as trade policies, geopolitical conflicts and labour disputes at ports, the effective capacity of global container shipping was reduced, which led to tight container space and equipment shortages in the shipping market. As customers were eager to secure containers, demand remained consistently high.

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

☐ Applicable ☒ Not Applicable

(5) Composition of Cost of Sales

Unit: RMB thousand

Industry classification	Item	2024		2023		Year-on-year change of %
		Amount	% of cost of sales	Amount	% of cost of sales	
Containers manufacturing	Direct materials	40,594,307	77.31%	18,592,287	73.15%	4.16%
Road transportation vehicles	Direct materials	14,360,515	81.73%	16,963,898	83.09%	(1.36%)
Offshore engineering	Direct materials	9,061,531	60.22%	5,306,588	55.77%	4.45%

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(6) Changes in 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 VI to “Chapter X Financial Statements and Audit Report 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

(8) Information on the Major Customers and Major Suppliers

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.

Information on the major customers of the Company

Total sales amount of the top five customers (Unit: RMB thousand)	24,924,629
% of the total sales amount of the top five customers in the annual total sales amount	14.03%
% of the total sales amount of related parties among the top five customers in the annual total sales amount	—

Information on 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	6,563,820	3.69%
2	Customer B	5,288,214	2.98%
3	Customer C	5,011,337	2.82%
4	Customer D	4,103,641	2.31%
5	Customer E	3,957,617	2.23%
Total		24,924,629	14.03%

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Other information on the major customers

☐ Applicable ☒ Not Applicable

There was no relationship between the Company and the top five customers, and the Directors, Supervisors and their associates, 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.

Information on the major suppliers of the Company

Total purchase amount of the top five suppliers (Unit: RMB thousand)	32,575,855
% of the total purchase amount of the top five suppliers in the annual total purchase amount	20.98%
% of the total purchase amount of related parties among the top five suppliers in the annual total purchase amount	—

Information on 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	13,501,191	8.69%
2	Supplier B	9,380,451	6.04%
3	Supplier C	3,615,345	2.33%
4	Supplier D	3,381,486	2.18%
5	Supplier E	2,697,382	1.74%
Total		32,575,855	20.98%

Other information on the major suppliers

☐ Applicable ☒ Not Applicable

There was no relationship between the Company and the top five suppliers, and the Directors, Supervisors and their associates, 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.

Trade-related revenue exceeding 10% of the total revenue during the Reporting Period

☐ Yes ☐ No ☒ Not Applicable

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2. Expenses

Unit: RMB thousand

	2024	2023	Year-on-year Change
Selling and distribution expenses	2,627,870	2,529,766	3.88%
General and administrative expenses	6,955,039	6,505,214	6.91%
Research and development expenses	2,709,107	2,429,152	11.52%
Financial expenses	1,364,876	1,506,757	(9.42%)
Income tax expenses	2,400,090	970,800	147.23%

Description for significant changes: Income tax expenses of the Reporting Period represent increase of 147.23% as compared to the same period of previous year, mainly due to the increase in profit before income tax for the current period.

For details of selling and distribution expenses, general and administrative expenses, research and development expenses, financial expenses and income tax expenses of the Group during the Reporting Period, please refer to note V. 51, 52, 53, 54, and 64 to “Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE” in this Report.

3. Scientific and Technological R&D Capability and R&D Investment

• R&D Investment

The Group remains committed to driving innovation and strengthening R&D capabilities. Through our medium-to-long-term development strategy, we optimise the R&D system and platform, expedite technological development and product upgrades, and foster innovation in products, technologies, processes and equipment. Additionally, we refine our mechanisms for discovering, rewarding and scaling innovations to ensure faster commercialisation of technological advancements.

In 2024, the Group intensified its R&D efforts under the product strategy of “sustaining product excellence, boosting innovation, and advancing intelligent manufacturing”. During the Reporting Period, the Group’s R&D investment amounted to RMB2,712.16 million, accounting for 1.52% of its revenue, with a five-year compound annual growth rate of 13.38%. A total of 845 new patent applications were filed (including 290 invention patents), bringing the total number of valid patents maintained to 5,376.

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Through continuous technological innovation and R&D investment, the Group has positioned itself as a global leader in production technologies or processes in multiple niche product segments. It has strengthened its competitive moat across technology, brand and market dimensions, representing a high level of development and market strength in its respective product fields. As at the end of 2024, CIMC Group has developed 32 star products.

CIMC Group has 31 product lines and **more than 160** product series covering 10 major products fields, as well as **32** star products

CIMC 中集



As at the end of 2024, the Group boasted 8 **National Single-Discipline Champion Enterprises (Products)** in the Manufacturing Industry recognised by the Ministry of Industry and Information Technology (MIIT) as below:

CIMC Container (Group) Co., Ltd. **(new in 2024)**

Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. **(new in 2024)**

Qingdao CIMC Reefer Container Manufacture Co., Ltd.

Yantai CIMC Raffles offshore Ltd.

CIMC Safeway Technologies Co., Ltd.

Boarding Bridge (Shenzhen CIMC – TianDa Airport Support Co., Ltd.)






Cargo trailers and semi-trailers (CIMC Vehicles (Group) Co., Ltd.)

Pressure vessel for low-pressure liquefied gas storage and transportation (Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.)

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By driving relentless innovation and technological advancement, the Group has elevated its product value and international standing, with many offerings evolving from “Made in China” to “Innovated in China”. The Group’s representative achievements in 2024 include the followings:

Product/Technology	Highlight/Milestone
<div>BYD Explorer No. 1 PCTC</div> <div>  </div>	<div> The first domestically built car carrier dedicated to vehicle exports, and the inaugural vessel in CIMC’s 7,000-CEU dual-fuel PCTC series, ushering in a new epoch of “domestic-controlled shipping of Chinese-branded automobiles”. </div>
<div>Mero 3 FPSO Project</div> <div>  </div>	<div> First-ever fully localized FPSO refurbishment project in China, with daily capacity of 180,000 barrels of crude oil and 12 million cubic meters of natural gas. Enhancing China’s overall capabilities in offshore engineering equipment manufacturing. </div>
<div>RAP Active Temperature-Controlled Container</div> <div>  </div>	<div> China’s first RAP active temperature-controlled air cargo container, capable of precise temperature regulation (4℃ to 30℃), ideal for vaccine air transport and other cold chain logistics, and with a weight of 1,040 kg, lighter than comparable foreign products. Filling a domestic market gap, providing new solutions for aviation cold chain logistics. </div>
<div>Ansteel-CIMC Coke Oven Gas-to-Hydrogen & LNG Project</div> <div>  </div>	<div> China’s first intelligent energy management platform for all-scenario applications, with an estimated annual carbon reduction of 470,000 tons. Driving the upgrading of China’s coke oven gas-to-hydrogen equipment toward high-end, intelligent, green and safe advancement. </div>
<div>7,500 m³ Twin-Tank</div> <div>  </div>	<div> The world’s first stackable twin-tank LNG fuel storage design, featuring 7,500 m³ capacity, 40% higher space efficiency and 30% less gas waste, and ready for 11,500-unit LNG dual-fuel container vessels. Addressing the growing market and technical demand for low/zero-carbon marine fuel solutions. </div>

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Product/Technology	Highlight/Milestone
High-Manganese Steel Marine Fuel Tank	China's first high-Mn steel fuel storage system for ships , with 242 m ³ capacity, withstanding low temperature of -196℃ . Overcoming high-Mn steel processing challenges, achieving performance optimisation and welding material compatibility, breaking foreign technology monopolies.
450L Type III Ultra-Large On-board Hydrogen Storage Cylinder	China's first 450L Type III ultra-large hydrogen storage tank for vehicles , adopting advanced composite materials made with high-strength fiber and cutting-edge winding techniques, featuring light weight, high strength and corrosion resistance, enabling significant improvement in driving mileage and transport efficiency for electric vehicles dedicated to hydrogen fuel transportation. Filling the domestic gap in large-volume hydrogen cylinders, accelerating widespread adoption of hydrogen-dedicated heavy-duty trucks.
Containerized Modular Wind Turbine Cabin	The world's first containerized modular nacelle system , with design life of 31.5 years. Adopting the modular architecture for wind turbine cabin, with factory-prefabricated standardised units to address transport and hoisting challenges caused by ever-increasing turbine sizes.

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During the Reporting Period, the Group and its subsidiaries were recognised with a number of industry awards and authoritative certifications:

Project/Product Name	Awards/Certifications
Key Technologies and Applications for Safety Assurance in Large-Capacity, Ultra-High Pressure Hydrogen Energy Storage and Transportation	2024 Hubei Science & Technology Advancement Award – Second Class Award
Key Technologies and Applications of High-Efficiency, High-Precision Ultrasonic and Visual Inspection for Large-Scale Equipment Manufacturing and Operation & Maintenance	2024 Hubei Science & Technology Advancement Award – Second Class Award
Shenyang Jietong “Smart Articulated Boom Aerial Firefighting Vehicle”	Liaoning Science & Technology Advancement Award – Third Class Award
Research and Application of Key Technologies for Tarp-Covered Dump Trucks	Science and Technology Progress Award of Henan Mechanical Engineering Society – Gold Award
Research and Application of Key Technologies for Monocoque Structure Van-type Semi-trailer	Science and Technology Progress Award of Henan Mechanical Engineering Society – Silver Award
CIMC Champion Hybrid Power Concrete Mixer Semi-trailer	2024 Top 10 New Energy Equipment Star Products in Heavy Equipment Sector
45ft Curtainsider-R Project (45ft Side-Curtain Semi-trailer)	DEKRA Swap Body Test Certificate (European Standard)

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• Progress in integration of industrialisation and digitalisation

There are no outdated traditional industries, only outdated industrial traditions. Since 2018, the Group has actively been promoting the deep integration of industrialisation and digitalisation and advancing intelligent manufacturing through cutting-edge technologies including industrial IoT, cloud computing, AI, big data and 5G, with the focus on building digital demonstration enterprises as core drivers to empower manufacturing transformation and green development. As at the end of 2024, 22 of the Group's subsidiaries achieved provincial-level intelligent manufacturing or digital factory standard. Notably, among the 30 core enterprises (subsidiaries with significant revenue and champion/star products), more than half have been recognised as provincial-level intelligent manufacturing factories.

These core enterprises are marching towards the vision of Global Lighthouse Factories through a three-tier development pathway: Advanced Smart Factories (Provincial Level), Excellence Smart Factories (National Level) and Pioneer Smart Factories (National Benchmark).



Ningbo CIMC and Qingdao CIMC achieved significant milestones in 2023, being recognised as National-Level 5G Factories and National Demonstration Plant for Intelligent Manufacturing. **At the beginning of 2025, CIMC Safeway was selected among the first batch of National Excellence Smart Factories by the MIIT**, presenting the accolade for the achievements CIMC Group has made in the field of intelligent manufacturing, and establishing a benchmark for the Group and the whole industry.

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So far, the Group has 2 National-Level 5G Factories, 1 National Demonstration Plant for Intelligent Manufacturing, and 1 National Excellence Smart Factory.

Title/Qualification	Company name	Strengths/Highlights
National Demonstration Plant for Intelligent Manufacturing National-Level 5G Factory	Qingdao CIMC Reefer Container Manufacture Co., Ltd.	Oriented towards digitalisation, intelligentization and green transformation, Qingdao CIMC has made significant progress in the construction of intelligent plant, which has achieved 51% process automation and 75% automatic production data collection.
National-Level 5G Factory	Ningbo CIMC Logistics Equipment Co. Ltd.	On top of its existing digital infrastructure, Ningbo CIMC has leveraged the inherent benefits of 5G technology to develop a variety of business applications, including 5G-powered RGV, 5G-powered machine visual inspection, 5G-powered intelligent spraying and 5G-powered equipment interconnectivity, making it the first fully-integrated 5G-powered smart container manufacturing facility in the industry.
First batch of MIIT National Excellence Smart Factories	CIMC Safeway Technologies Co., Ltd.	By deploying cutting-edge technologies including AI, 5G, IoT, cloud computing and digital twins, CIMC Safeway revolutionized operations in factory planning, product R&D and design, production plan & management, and operational management, dramatically shortening the lead time, improving the quality inspection efficiency and the first-pass assemble qualification rate, and reducing the overall operational cost.

At the same time, the Group has consistently focused on cutting-edge technological developments. With the significant advancements in generative AI in recent years, the Group has conducted in-depth research on generative AI technology and launched its internal AI platform, “CIMC Qianwen (中集千问)”, at the end of 2023. This platform integrates top-tier large language model (LLM) capabilities and builds an enterprise-grade knowledge base to ensure the security and compliance of AI applications. Based on this platform, the Group has incubated 11 digital employees, including a Maintenance Assistant and a Lean Management Assistant, and promoted over 100 AI application scenarios. In 2024, CIMC’s generative AI applications were recognised in Frost & Sullivan’s 2024 Best Practices for Generative AI in China’s Industrial Manufacturing, making it one of only two companies in the industrial manufacturing sector to receive this distinction. Additionally, CIMC ranked first in IDC’s Q3 2024 Generative AI Best Practice Cases, and its digital employee “Yi Xiu” was listed in Zhejiang Province’s 2024 AI Application Scenarios.

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• R&D Mechanism

In 2024, the Group further emphasized in its strategic planning that “Scientific and technological innovation is the primary and central driving force for achieving the Group’s strategic objectives, and should be playing a pivotal role in the Group’s development from the global perspective”, and remained committed to continuously enhancing independent innovation capabilities and strengthening the R&D deployment. The Group has now established a three-tier R&D system featuring coordinated division of responsibilities among the Group headquarters, business segments and operating companies, adopting the integrated innovation system combining “independent innovation + collaborative R&D + strategic acquisitions”, and shaping the R&D mechanism characterized by “small specialised teams with comprehensive platform support”.

(1) Group and subsidiary-level R&D organisations

As at the end of 2024, the Group has secured multiple national-level or provincial-level R&D platforms and certifications, including:

• 2 National enterprise technology centers	• 2 National R&D centers/National engineering laboratories	• 5 National CNAS laboratories	• 6 Postdoctoral research workstations	• 50+ Provincial and ministerial R&D platforms
• 16 National “Little Giant” enterprises with the features of specialization, refinement, uniqueness and innovation	• 60+ State-certified High-Tech Enterprises	• 22 Provincial enterprises with the features of “specialization, refinement, uniqueness and innovation”	• 8 National Intellectual Property Demonstration Enterprise	• 2 National Intellectual Property Advantage Enterprise

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The Group actively empowers its subsidiaries to deepen their development toward specialization, refinement, uniqueness and innovation, as well as high-end manufacturing. As at the end of 2024, the Group has 16 national “Little Giant” enterprises with the features of specialization, refinement, uniqueness and innovation:

16 national “Little Giant” enterprises with the features of specialization, refinement, uniqueness and innovation

CIMC Vehicles (Jiangmen) Co., Ltd.	Gansu CIMC Vehicles Co. Ltd.	Dalian CIMC Special Logistics Equipment Co., Ltd.	Zhumadian CIMC Huajun Casting Co., Ltd.
Enric (Bengbu) Compressor Co., Ltd.	Shenzhen Qianhai Ruiji Technology Co., Ltd.	Shijiazhuang Enric Gas Equipment Co., Ltd.	Yantai Tiezhongbao Steel Processing Co., Ltd.
Sichuan Chuanxiao Fire Trucks Manufacturing Co., Ltd.	Nantong CIMC Energy Equipment Co, Ltd.	Qingdao CIMC Chuangying Composites Co., Ltd.	Yangzhou Tonglee Reefer Container Co., Ltd.
Haiyang CIMC Raffles offshore Ltd.	CIMC Liquid Process Technologies Co., Ltd.	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	Nantong CIMC Pacific Ocean Engineering Co., Ltd.

Introduction of the three new national “Little Giant” enterprises in 2024:

CIMC Liquid Process Technologies Co., Ltd.	As one of the world’s largest intelligent manufacturing solution providers for tanks, industrial technologies and integrated systems, CIMC Liquid Process Technologies Co., Ltd. specializes in the field of bio fermentation intelligent equipment and production lines, providing “turnkey project” solutions for design, manufacturing and integration systems to global customers in brewing, pharmaceuticals and other industries, supported by a worldwide sales network.
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd., the largest domestic producer of cryogenic storage and transportation equipment, is committed to the philosophy of “Innovation Drives Development, Quality Wins the Market” and dedicated to R&D and manufacturing of cryogenic systems, providing global customers with efficient, reliable and eco-friendly cryogenic solutions.
Nantong CIMC Pacific Ocean Engineering Co., Ltd.	Nantong CIMC Pacific Ocean Engineering Co., Ltd., a global leader in the niche market of small-to-medium LNG/LPG carriers, LEG and liquid ammonia vessels, possesses independent capabilities in design, construction and project management of liquefied gas carriers, bunkering vessels and marine fuel tanks, and ranks among the world’s top players in market share.

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(2) Globally interactive R&D Network

Simultaneously, the Group has established a globally interactive R&D system, with overseas R&D centers and research institutes across North America, Australia, and Europe, to engage in core technology research and development, while entering into collaboration with domestic R&D centers to advance technological innovation.

Furthermore, CIMC develops an open innovation ecosystem with distinctive CIMC characteristics by fostering innovation through collaboration with manufacturers, universities, research institutes throughout the industry chain, with initiatives including:

- 1) **Joint innovation with supply chain partners.** CIMC maintains close collaboration with its suppliers. For instance, it has established a joint laboratory with Baowu Steel for the development of high-performance structural steel, which has played an important role in connecting, and thereby ensuring the safety and independence of its raw material supply chain.
- 2) **Industry-university-research cooperation with domestic universities.** CIMC has established seven R&D platforms together with prestigious universities at home and abroad, including Tsinghua University, Zhejiang University, Shanghai Jiao Tong University, South China University of Technology, Norwegian University of Science and Technology, and the University of California, Berkeley.
- 3) **Joint innovation with inspection institutions.** CIMC also works closely with inspection institutions. For instance, the Aquatic Application Safety Laboratory for Renewable Energy and Green Technologies which is jointly established by the China Classification Society and CIMC Sanctum, now serves as a comprehensive, long-lasting, and stable testing facility focused on testing and verification of the safety of new energy applications.

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(3) R&D team and incentive mechanism

In addition to increasing its investment in research and development, CIMC has significantly enhanced the recruitment and training of top-tier innovative talents. The Group has vigorously promoted training programs for leading experts, product managers, and backup talents, offering resources and supports for the recruitment and development of innovative talents crucial to the Group's core businesses. A number of experts in science and technology have been recruited to expedite the buildup of our talent pool. The Group has implemented a diverse and multi-tiered incentive system to encourage organizational and employee innovation, aiming to boost its sustainable growth. CIMC has established scientific and technological innovation evaluation standards with reference to those for national enterprise technology centers, aiming to elevate the capabilities of its technology centers through benchmarking against industry-leading criteria. On the other hand, we have established a multi-tiered incentive system for innovation achievements, **integrating scientific and technological innovation with performance management and salary allocation. We have also established a diversified incentive mechanism for short, medium and long terms**, aimed at motivating our subsidiaries to engage in extensive and profound innovation activities. As at December 2024, the Group has amassed 5,774 R&D personnel, accounting for 11.39% of its total workforce, representing a year-on-year increase of 1.33%.

The R&D Staff of the Company

	2024	2023	Percentage of change
Number of R&D personnel	5,774	5,698	1.33%
Number of R&D personnel as a percentage	11.39%	11.25%	1.24%
Composition of R&D personnel by education background			
Bachelor's Degree	3,598	3,576	0.62%
Master's Degree	573	536	6.90%
Composition of R&D personnel by age			
Below 30 years old	1,480	1,452	1.93%
30-40 years old	2,769	2,736	1.21%
Above 40 years old	1,525	1,510	0.99%

Reasons for and effects of significant changes in the composition of the Company's R&D personnel

☐ Applicable ☒ Not applicable

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• Other Major Research and Development Projects

Apart from the above, other major research and development projects of the Group are set out below:

Name of major R&D project	Purpose of project	Progress of project	Intended target	Expected impact on future development of the Company
CIMC & SXAC J-RT New Energy Integrated Tractor-Mixer Concrete Truck Development Project	Explore and study the technology of new energy integrated tractor-mixer concrete trucks, and complete development of the J-RT new energy integrated tractor-mixer semi-trailer prototype and the J-RT P2 plug-in hybrid electric tractor.	The prototype has completed the stages of design, trial production, testing, and trial operation, and has now entered the phase of small-batch sales.	The prototype's design and development have met all functional and performance requirements specified in the Product Design Specification, and has obtained certification through the MIIT Product Announcement. The electric trailer testing programme has fulfilled all requirements outlined in the project test protocol, complying with relevant national standards.	The market penetration rate of new energy trailers will increase gradually, therefore further consolidating CIMC Vehicles' leading position in the specialised vehicle industry.
Research on pilot operation of double-trailer trains and the formulation and research of national standards	Study the transport mode and products of modular double-trailer trains, promote the Ministry of Transport to carry out the pilot demonstration operation of the double-semitrailer trains, and expand market size and provide new product models for the development of CIMC semi-trailers.	The development of the prototype vehicle has been completed, including trial production, performance testing, and trial operation, with participation in drafting relevant standards.	Complete prototype development for multiple double-trailer combination products, conduct comprehensive research and testing on key performance aspects including roadability, stability, braking performance and powertrain capability; promote the formulation of double semi-trailer train standards and the amendments of the Road Traffic Safety Law of the People's Republic of China.	Enhance the Company's capabilities in both R&D and standard-setting for double-trailer trains, and enable the delivery of high-capacity, ultra-heavy-load transportation solutions to customers while ensuring full compliance with applicable national standards.

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Name of major R&D project	Purpose of project	Progress of project	Intended target	Expected impact on future development of the Company
StarLink Project – Annual Vehicle Model Finalisation and Iteration Project	Execute annual vehicle model finalization and iteration, and advance PLM digital data integration to achieve product standardisation and modularization, boost product sales, reduce costs in scaled production and centralized procurement, and drive comprehensive transformation across all aspects of the semi-trailer business.	Three rounds of model iteration have been released, and the product technology integration and deployment has been completed.	Accomplish 2-3 rounds of finalisation and iteration for 23 vehicle models, and achieve full product technology integration (including PLM digital data establishment and system platform connectivity); facilitate the digital transformation of capability building, design data management and order process management.	Enhance product standardisation and scaling with model-year vehicles as the driver, to boost production efficiency; promote comprehensive transformation across products, production lines, sales, after-sales services, and production-related services, ultimately increasing customer satisfaction and strengthening corporate brand influence.
StarLink Semi-trailer Advanced Manufacturing Line Upgrading	For addressing cutthroat industry competition in the semi-trailer sector, transform the low-efficiency practices formed during the previous high-growth phase, build new-quality productive forces, achieve higher production standard, better customer experience and sustainable profitability, ultimately helping the entire industry break free from involution and leading China's semi-trailer industry toward a new development paradigm.	The production line development, trial operation and modular product manufacturing have been completed.	Enhance efficient semi-trailer production, achieve digitalisation in design and manufacturing, and establish a model workshop with digital interconnectivity based on the "StarLink Work Island" system, developing specialized talents for automated production line operations and driving continuous line improvements to boost efficiency, reduce costs and increase profitability.	Parametrically establish a new benchmark for automated semi-trailer production line solutions in China by introducing roller feeding systems, industrial robots, advanced laser positioning & sensor tracking technologies, and intelligent logistics equipment represented by RGVs and gantry systems, and elevate the Company's manufacturing capabilities, industry influence, and public brand image in the semi-trailer sector.

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Name of major R&D project	Purpose of project	Progress of project	Intended target	Expected impact on future development of the Company
45ft Curtainsider-R project	Develop lightweight products tailored to customer needs, complete product testing and certification in compliance with European regulations, and successfully launch the products to market, addressing unmet demands in this transport segment.	The lightweight C45 model has obtained European Whole Vehicle Type Approval (WVTA), demonstrating full compliance with EU market access requirements.	Complete development of the C45 lightweight model – the product with the highest market share potential – and establish full European regulatory testing capabilities; obtain both Whole Vehicle Type Approval (WVTA) and factory production certification.	Expand the Company into new business domains and profit growth areas, and establish preliminary product analysis and validation capabilities to solidify the foundation for future product optimisation & iteration, and global market expansion.
Research on TIR-Compliant Side-Curtain Semi-Trailers	Enable customers to significantly enhance transport efficiency and reduce costs under the backdrop of sustained and growing market demands for cross-border side-curtain semi-trailers.	The prototype vehicle has been completed.	Develop TIR-compliant side-curtain semi-trailers that achieve lightweight construction, high payload capacity, rapid loading/unloading, safety and reliability, capture domestic market share while progressively expanding into international markets.	Expand the TIR transport equipment product portfolio, and increase market share and revenue. Drive cost reduction and efficiency gains in the logistics industry, and promote green logistics development. Enhance the Company's brand influence and market competitiveness in the specialised vehicle sector.
Integrated Chassis + Tank Container Vehicle Solution for Hazardous Chemicals	Through integrated design, develop a lightweight, low-center-of-gravity, high-safety and fuel-efficient tank container vehicle for domestic hazardous chemical road transportation.	Development and road test for the prototype vehicle has been completed.	Complete development of a 30-foot tri-axle semi-trailer prototype for hazardous chemical transport, achieving a 63mm lower center of gravity and 300kg weight reduction compared to conventional models, with all testing and certification finalised.	Enhance the Company's R&D capabilities in lightweight product development, and offer customers products of lighter weight, greater user-friendliness and safety.

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Name of major R&D project	Purpose of project	Progress of project	Intended target	Expected impact on future development of the Company
Stand-alone Type B LNG Storage Tank	In light of the relatively low market entry barrier for Type C liquefied gas tanks, resulting in intense competition, master the R&D and design of more advanced Type B liquefied gas tanks, to help optimise the Company's product portfolio, enhance its technological leadership and strengthen its core competitiveness.	The delivery of a 13,000-cubic-meter Type B tank has been completed, which will be installed on a 16,000-TEU dual-fuel container ship, marking the largest marine LNG Type B fuel tank ever built in China.	Achieve independent design capability for Type B liquefied gas storage tanks, and establish a complete construction process system.	CIMC Pacific Ocean Engineering, a subsidiary of the Company, has become the only tank manufacturer in the market with proven experience in Type B tank construction. This achievement enriches the Company's product portfolio, enhances its independent R&D and design capabilities, and strengthens its core competitiveness.
Vacuum-insulated Eco-friendly ISO Tank	Develop a high-capacity, long-service-life vacuum-insulated eco-friendly ISO tank that saves space and offers other advantages, to replace tanker trucks and mark the first application in eco-friendly waste suction operations.	The development of vacuum-insulated eco-friendly ISO tanks has been completed, with the first batch of products delivered.	Develop a 30m ³ vacuum-insulated eco-friendly ISO tank to meet operational requirements as an alternative to traditional tanker trucks.	Enable tank containers to enter specialised industries, further expand the tank container market and establish a new product category for the Company.
Compressed Air Energy Storage Project	Adopt standardized gas storage modules and optimised designs to reduce manufacturing lead times and production costs, address critical industry challenges while driving innovation in energy storage technology and supporting renewable power integration.	A 4,500m ³ standardised compressed air storage module has been successfully delivered.	Reduce the manufacturing cycle for standardised gas storage modules to just 35 days by achieving large-scale, industrialised, standardised, and modular production.	Drive technological innovation to deliver safer, more efficient, and environmentally friendly gas energy storage solutions, advance the innovation and development of clean energy storage technologies, and contribute expertise and capabilities to the global green energy transition.

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Name of major R&D project	Purpose of project	Progress of project	Intended target	Expected impact on future development of the Company
Breakthrough Technologies and Industrialisation of LNG Carrier-to-FLNG Conversion	By developing core FLNG technologies and conversion methodologies, deliver an innovative technical solution that addresses the prolonged timelines and high capital costs associated with greenfield FLNG projects.	Front-end engineering design has been completed.	Design a FLNG facility that can achieve a 3.5 million-ton annual LNG liquefaction capacity, with third-party verification completed.	Break the long-standing monopoly in high-end FLNG industry, establish a new growth driver for the Group's offshore engineering projects, elevate its overall position in the offshore engineering field, and stimulate synergies across internal industrial chains.
Liquid-Driven Hydrogen Compressor	Leverage China's vast domestic market and rapid industry growth and develop independently innovated liquid-driven compressor products to establish competitive advantages against international brands in terms of pricing, service and technology.	The 45MPa liquid-driven hydrogen compressor has achieved first deployment in commercial hydrogen refueling stations, signifying that the Company has achieved full indigenous design capability for liquid-driven hydrogen compressors and their core components.	Develop serialized and standardised compressor core modules based on research on multiple key technologies; with these modules as core components, integrate and develop compressor prototypes, and achieve demonstrative applications.	Fill the gap in the Company's hydrogen energy business line by establishing liquid-driven hydrogen compressor capabilities, and expand our market reach across the hydrogen sector.
The tank-change mode solution of LNG-powered ships	Research on the overall replacement and refuelling mode of fuel tanks of LNG-powered ships, and diversify fuel replenishment methods for LNG-powered ships, so as to accelerate the application of LNG in the water transport industry and provide important support for promoting energy conservation and emission reduction in the water transport industry.	The first batch of 40-foot marine LNG fuel tank containers has been successfully swapped and officially put into operation aboard China Yangtze Shipping Group's 2030-series coastal 12,500-ton green intelligent bulk carrier.	Construct a new clean energy supply model for ships with the "LNG tank replacement fuel tanks" as the carrier; and promote the demonstration of the tank replacement model for ships on the Yangtze River mainline.	Accelerate the commercial adoption of the tank swap model to drive sustainable development in China's inland waterway shipping industry.

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Name of major R&D project	Purpose of project	Progress of project	Intended target	Expected impact on future development of the Company
Liquid Hydrogen (LH ₂) Equipment	Liquid hydrogen (LH ₂) storage offers significant advantages in purity, efficiency and safety, positioning it as a key future hydrogen storage solution. We are developing LH ₂ products like spherical storage tanks and tanker trucks to advance commercial applications.	Spherical LH ₂ storage tanks, LH ₂ tanker trucks and LH ₂ ISO container tanks are currently under development.	Complete corporate standard review and prototype tank development, and achieve readiness for commercial deployment.	Fill a critical domestic technology gap, address the hydrogen industry's urgent demand for advanced storage and transportation equipment, and drive technological progress in cryogenic container systems.
Alkaline Water Electrolysis Post-Treatment Systems	Leverage the expertise in energy equipment design and manufacturing to establish independent technological capabilities for gas-liquid separation and purification systems in water electrolysis hydrogen production.	A 2,000 Nm ³ /h alkaline water electrolysis hydrogen production system with wide-load gas separation and purification capabilities has been delivered.	The purity of hydrogen treated by such purification system meets electronic-grade gas specifications, fulfilling the requirements of high-purity hydrogen applications.	Post-treatment products for water electrolysis hydrogen production are officially launched on the market, expanding the product portfolio and establishing technological and cooperation foundations for future development of hydrogen production equipment.
New Self-Supported Nickel-Based Electrodes for Alkaline Electrolyzers	Develop novel electrode materials with high activity, low cost and extended longevity and establish a series of efficient and cost-effective alkaline water electrolysis hydrogen production technologies.	The development of first-and second-generation products have been completed.	Develop a comprehensive pilot-scale mass production process package for hydrogen production electrodes, achieving low-cost, batch-manufacturable and quality-stable fabrication.	This achievement provides a solid foundation for the Group to capitalise on hydrogen energy opportunities, positioning us to lead high-end electrolyzer technology innovation. The mass production of high-activity electrodes for high-current-density alkaline electrolyzers represents a strategically farsighted solution with immense disruptive potential and stands as a key research focus in advanced materials for clean energy applications.

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Company's investment in research and development

	2024	2023	Percentage of change
Amount of R&D investments (RMB'000)	2,712,160	2,444,553	10.95%
R&D investment as a percentage of operating revenue	1.53%	1.91%	(0.38%)
Amount of R&D investments capitalised (RMB'000)	5,658	32,970	(82.84%)
Capitalised R&D investment as a percentage of R&D investment	0.21%	1.35%	(1.14%)

Note: The amount of R&D investments is based on the consolidated financial statements.

Reasons for and effects of significant changes in the composition of the Company's R&D personnel

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Reasons for significant changes in the capitalisation rate of R&D investments and explanation of its reasonableness

☐ Applicable ☒ Not applicable

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4. Cash Flows

Unit: RMB thousand

Items	2024	2023	Year-on-year change
Sub-total of cash inflows of operating activities	169,157,793	124,324,633	36.06%
Sub-total of cash outflows of operating activities	159,893,923	121,621,447	31.47%
Net cash flows from operating activities	9,263,870	2,703,186	242.70%
Sub-total of cash inflows of investing activities	17,474,053	8,331,983	109.72%
Sub-total of cash outflows of investing activities	24,104,342	16,506,534	46.03%
Net cash flows used in investing activities	(6,630,289)	(8,174,551)	18.89%
Sub-total of cash inflows of financing activities	48,178,905	41,953,092	14.84%
Sub-total of cash outflows of financing activities	52,422,892	32,248,080	62.56%
Net cash flows (used in)/from financing activities	(4,243,987)	9,705,012	(143.73%)
Net (decrease)/increase in cash and cash equivalents	(1,365,655)	4,438,516	(130.77%)

Description of the main reasons for a significant year-on-year change in relevant data

☒ Applicable ☐ Not Applicable

During the Reporting Period, the Group's net cash flows from operating activities recorded a year-on-year increase of 242.70%, which was primarily attributable to the increase in cash received from sales of goods and rendering of services and refund of taxes and surcharges in the year.

During the Reporting Period, the Group's net cash flows from financing activities recorded a year-on-year decrease of 143.73%, which was primarily attributable to the increase in cash repayments of borrowings in the year.

Description of the reasons for the significant difference between net cash flow from operating activities and net profit for the Year of the Company during the Reporting Period

☐ Applicable ☒ Not Applicable

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(II) ANALYSIS OF NON-PRINCIPAL BUSINESSES

✓ Applicable ☐ Not Applicable

Unit: RMB thousand

Items	Amount	Percentage in total profit	Explanation on the formation	Sustainable or not
Asset impairment losses	(416,492)	(6.32%)	Mainly represents impairment losses on inventories, impairment losses on costs incurred to fulfil a contract and impairment losses on goodwill.	No
Credit impairment losses	(491,544)	(7.45%)	Mainly represents bad debt loss of trade receivables.	No
Investment losses	(493,752)	(7.49%)	Mainly represents losses arising from disposal of derivative financial instruments during the period.	No
Losses on changes in fair value	(669,037)	(10.14%)	Mainly represents loss arising from change of fair value of derivative financial instruments during the period. For details of the Group's investments in derivative financial instruments during the Reporting Period, please refer to "(3) Derivatives investments" of "4. Financial asset investments" under "VI. Investment Analysis during the Reporting Period" in this chapter.	No
Non-operating income	249,797	3.79%	Mainly represents compensation income, penalty income and unpayable payables.	No
Non-operating expenses	207,447	3.15%	Mainly represents losses on scrapping of fixed assets and claims expenses.	No

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(III) ASSETS AND LIABILITIES

1. Significant Changes in Assets

Unit: RMB thousand

	At the end of the 2024		At the end of 2023		Change (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Financial assets held for trading	1,359,120	0.78%	337,756	0.21%	302.40%	Mainly due to increase in the purchase of monetary funds by CIMC Finance Company.
Derivative financial assets	11,142	0.01%	301,355	0.19%	(96.30%)	Mainly due to the change in fair value of derivative financial instruments during the period.
Cash at banks and on hand	21,621,312	12.37%	21,324,451	13.18%	1.39%	No material change.
Accounts receivable	31,655,818	18.11%	22,949,473	14.19%	37.94%	Mainly due to the increase in the revenue during the year.
Contract assets	9,752,290	5.58%	7,198,173	4.45%	35.48%	Mainly due to the increase in the balance of contract assets for offshore engineering during the year.
Inventories	19,735,685	11.29%	19,200,102	11.87%	2.79%	No material change.
Other current assets	2,761,886	1.58%	1,801,804	1.11%	53.28%	Mainly due to the increase in the taxes to be deducted/prepaid during the period.
Investment properties	1,351,285	0.77%	1,369,993	0.85%	(1.37%)	No material change.
Long-term equity investments	12,016,874	6.88%	11,996,856	7.42%	0.17%	No material change.

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	At the end of the 2024		At the end of 2023		Change (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Fixed assets	43,919,373	25.13%	40,354,816	24.95%	8.83%	No material change.
Construction in progress	1,805,982	1.03%	4,483,906	2.77%	(59.72%)	Mainly due to the conversion of the offshore engineering drilling platforms to fixed assets.
Right-of-use assets	1,152,130	0.66%	1,090,950	0.67%	5.61%	No material change.
Short-term borrowings	11,260,716	6.44%	12,400,861	7.67%	(9.19%)	No material change.
Derivative financial liabilities	344,767	0.20%	1,696,118	1.05%	(79.67%)	Mainly due to the change in fair value of derivative financial instruments during the period.
Notes payables	6,100,596	3.49%	4,681,963	2.89%	30.30%	Mainly due to the increase in bank acceptance notes during the period.
Accounts payables	26,886,299	15.39%	20,181,009	12.48%	33.23%	Mainly due to the increase in amounts due to raw material suppliers and project procurement charges during the period.
Contract liabilities	14,599,941	8.35%	13,053,025	8.07%	11.85%	No material change.
Taxes payable	2,408,714	1.38%	1,170,035	0.72%	105.87%	Mainly due to the increase in income tax payables and value-added tax payables.
Provisions	2,090,538	1.20%	1,315,445	0.81%	58.92%	Mainly due to the increase in product quality guarantee deposit during the period.

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	At the end of the 2024		At the end of 2023		Change	Description of material
	Amount	% of total assets	Amount	% of total assets	(%)	changes
Other current liabilities	959,102	0.55%	3,028,367	1.87%	(68.33%)	Mainly due to the higher amounts of super & short-term commercial papers during the same period last year.
Non-current liabilities due within one year	4,296,588	2.46%	9,675,619	5.98%	(55.59%)	Mainly due to more long-term borrowings due within one year repaid by the Group during the period.
Long-term borrowings	19,377,598	11.09%	13,523,455	8.36%	43.29%	Mainly due to the new external borrowings during the period.
Debentures payable	4,035,642	2.31%	1,960,454	1.21%	105.85%	Mainly due to the issuance of medium-term notes during the period.
Long-term payables	272,671	0.16%	188,987	0.12%	44.28%	Mainly due to the reclassification of special payables due to the increase in plant demolition during the period.
Lease liabilities	869,384	0.50%	820,638	0.51%	5.94%	No material change.
Other equity instruments	4,093,019	2.34%	2,049,774	1.27%	99.68%	Mainly due to the issuance of perpetual bonds by the Group during the period.

The overseas assets take a relatively high proportion of total assets

☐ Applicable ☒ Not Applicable

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2. Assets and Liabilities Measured 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	337,756	(32,963)	—	—	1,359,120
2. Derivative financial assets	301,355	(290,213)	—	—	11,142
3. Investments in other equity instruments	2,168,803	—	(24,229)	—	1,947,831
4. Receivables financing	1,062,258	—	—	—	1,146,071
5. Other non-current financial assets	454,324	7,348	—	—	416,495
Sub-total of financial assets	4,324,496	(315,828)	(24,229)	—	4,880,659
Investment properties	1,369,993	8,311	—	—	1,351,285
Total	5,694,489	(307,517)	(24,229)	—	6,231,944
Financial liabilities	(1,777,297)	(361,520)	—	—	(426,970)
Total	3,917,192	(669,037)	(24,229)	—	5,804,974

3. Restricted Asset Rights as at the End of the Reporting Period (Including but Not Limited to Pledge of Assets)

As at 31 December 2024, restricted assets of the Group amounted to a total of RMB2,962.369 million (31 December 2023: RMB2,174.083 million), representing an increase of 36.26% as compared to the same period last year, which was mainly due to the increase in margin and statutory reserves deposited to the central bank. For details of the Group's pledge of assets, please refer to note V. 25 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

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4. Fixed Assets

As at 31 December 2024, the Group's fixed assets amounted to RMB43,919.373 million (31 December 2023: RMB40,354.816 million). Changes to the fixed assets of the Group during the Reporting Period are summarised in note V. 16 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

(IV) Contingent liability

The Group's contingencies consist mainly of guarantees provided for external parties, litigation and outstanding letters of credit issued and outstanding performance guarantees issued. The relevant details are set out in note XIII to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

(V) Reserves and Distributable Reserves

As at 31 December 2024, the reserves of the Group and the Company were RMB42,333.890 million and RMB20,976.437 million (same period last year: RMB40,415.510 million and RMB21,422.497 million), respectively, and the distributable reserves (undistributed profits) of the Company were RMB15,336.568 million (same period last year: RMB15,681.769 million). Movements in the reserves and the distributable reserves of the Group during the Reporting Period are set out in the consolidated statement of changes in shareholders' equity and the statement of changes in shareholders' equity in "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

(VI) Dividend Distribution

For details of dividend distribution, please refer to "IX. Profit Distribution and Share Capital Increase by way of Transfer from Capital Reserves of the Company" under "Part I: Corporate Governance (Prepared in Accordance with PRC Securities Regulatory Requirements)" of "Chapter V Corporate Governance".

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(VII) Liquidity and Capital Resources

The Group's cash at banks and on hand primarily consists of cash and bank deposits. As at 31 December 2024, the Group's cash at banks and on hand amounted to RMB21,621.312 million (31 December 2023: RMB21,324.451 million). For details, please refer to note V. 1 to "Chapter X Financial Statements and Audit Report 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 "4. Cash Flow" of "(I) Analysis of Principal Businesses" of "V. Analysis of Financial Data" of this chapter and notes V. 66 and 67 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE".

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 amount of cash on hand to repay the bank loans due and ensure the development of our businesses.

(VIII) Bank Loans and Other Borrowings

As at 31 December 2024, the Group's short-term borrowings, non-current borrowings due within one year, debentures payable due within one year, super & short-term commercial papers, long-term borrowings and debentures payable in aggregate amounted to RMB39,125.524 million (31 December 2023: RMB39,180.268 million). Details of bank loans and other borrowings of the Group as at 31 December 2024 are set out in notes V. 26, 35, 36, 37 and 38 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report. During the Reporting Period, the Group did not have any overdue borrowings.

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Unit: RMB thousand

	As at 31 December 2024	As at 31 December 2023
Short-term borrowings	11,260,716	12,400,861
Non-current borrowings due within one year	3,440,969	9,292,880
Debentures payable due within one year	507,583	–
Other current liabilities – super & short-term commercial papers	503,016	2,002,618
Long-term borrowings	19,377,598	13,523,455
Debentures payable	4,035,642	1,960,454
Total	39,125,524	39,180,268

In 2024, the interest capitalised by the Group was RMB7.429 million (2023: RMB79.834 million).

The Group's bank borrowings are mainly denominated in RMB and Hong Kong dollars, with the interest payments computed using fixed rates and floating rates. As at 31 December 2024, the Group's long-term interest-bearing debts were mainly HKD-denominated contracts with floating rates in the amount of HKD5,500 million (31 December 2023: USD1,885.580 million). The interest rate range of the Group's short-term borrowings was 1.30% to 6.35% (31 December 2023: 1.20% to 7.20%), and the interest rate range of long-term borrowings was 1.20% to 4.25% (31 December 2023: 1.20% to 7.08%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB16,368.934 million (31 December 2023: approximately RMB14,432.784 million). The long-term borrowings are mainly matured 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.

The Group's issued debentures are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 31 December 2024, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB4,035.642 million (31 December 2023: RMB1,960.454 million), with maturity dates mainly spreading over one to five years.

For details, please refer to notes V. 26, 37, 38 and note VIII. 3 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

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(IX) Other Equity Instruments

As at 31 December 2024, the Group's other equity instruments amounted to RMB4,093.019 million (31 December 2023: RMB2,049.774 million), representing an increase of 99.68% as compared with the end of the previous year, mainly due to the Group's issuance of perpetual bonds during the period. For details of other equity instruments of the Group during the Reporting Period, please refer to note V. 43 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

(X) Capital Structure

The Group's capital structure consists of equity interest attributable to shareholders and liabilities. As at 31 December 2024, the Group's equity interest attributable to shareholders amounted to RMB68,019.802 million (31 December 2023: RMB64,630.350 million), total liabilities amounted to RMB106,732.434 million (31 December 2023: RMB97,132.883 million) and total assets amounted to RMB174,752.236 million (31 December 2023: RMB161,763.233 million). For the significant changes in the Group's assets and liabilities during the Reporting Period, please refer to "(III) Assets and Liabilities" of "V. Analysis of Financial Data" of this chapter.

As at 31 December 2024, the Group's gearing ratio was 61% (31 December 2023: 60%). The Group is committed to maintaining an appropriate combination of equity and debt in order to maintain an effective capital structure and provide maximum returns for shareholders of the Company. (Note: the gearing ratio is calculated based on the Group's total debts divided by its total assets as at the respective dates.)

(XI) Exchange Rate Fluctuation Risk and Relevant Hedge

The major currency of the Group's business revenue is US dollars, while most of its expenditure is made in RMB. Currently, the Chinese government adopts a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies, and RMB is still subject to control under the capital account. As the exchange rates of RMB are affected by domestic and international economic and political situations as well as the demand and supply of RMB, the exchange rates of RMB against other currencies may be different from the current rates in the future, 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 and taken 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 "(3) Derivatives investments" of "4. Financial asset investments" under "VI. Investment Analysis during the Reporting Period" in this chapter and notes V. 3, 13 and 41 and VIII. 4 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

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(XII) Credit Risk

The Group's exposures to credit risk are mainly attributable to notes receivables, accounts receivable, receivables financing, other receivables and contract assets. Except for the financial guarantees given by the Group as set out in note XIII to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report, the Group does not provide any other guarantees which would expose the Group to credit risk. Management will monitor these credit risk exposures on an ongoing basis. For details, please refer to note VIII. 1 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

(XIII) Capital Commitments

As at 31 December 2024, the Group had capital expenditure commitments of approximately RMB290.088 million (31 December 2023: RMB74.375 million), which was mainly fixed assets purchase contracts. Please refer to note XIII. 1 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

VI. INVESTMENT ANALYSIS DURING THE REPORTING PERIOD**1. General information**

☒ Applicable ☐ Not Applicable

Unit: RMB thousand

Investment amount in the Reporting Period	Investment amount in the same period of last year	Change
567,766	2,089,289	(72.82%)

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

As at the end of the Reporting Period, the project remains under construction and has not yet been completed or carried forward, with the relevant project contract value exceeding RMB200 million.

☒ Yes ☐ No ☐ Not applicable

For details, please refer to note V. 10 to "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

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(1) Securities investments

✓ Applicable ☐ Not Applicable

Unit: RMB thousand

[illegible]

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(2) Other listed company equities held

Unit: RMB thousand

Stock code	Abbreviation of stock name	Initial investment amount	Number of shares held (thousand shares)	Percentage of shareholding (%)	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	OttoEnergy	13,480	13,521	0.36%	614	-	(437)	Other equity investments	Share acquisition
HKEX: 00697	Shoucheng	182,212	209,586	2.87%	212,677	-	(86,014)	Other equity investments	Share acquisition
HKEX: 206	CMIC Ocean	204,326	185,600	5.72%	54,265	1,190	1,356	Long-term equity investments	Share acquisition
STAR Market: 688315	Novogene	13,244	795	0.22%	9,933	(8,576)	-	Financial assets held for trading	Share acquisition
SZSE: 001213	CRSCL	161,563	40,000	0.90%	166,800	-	(1,200)	Other equity investments	Share acquisition
Total		574,825			444,289	(7,386)	(86,295)		

(3) Derivatives investments

☒ Applicable ☐ Not Applicable

Derivatives investments for the purpose of hedging during the Reporting Period

Unit: RMB thousand

Type of derivatives investment	Initial investment amount	Amount at the beginning of the Reporting Period	Profit or loss arising from changes in fair value for the Period	Cumulative changes in fair value recognised in equity	Purchase during the Reporting Period	Sale during the Reporting Period	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
Foreign exchange forward contracts	-	31,797,854	(349,033)	-	-	-	3,709,761	7.19%
Foreign exchange option contracts	-	4,934,744	(287,416)	-	-	-	24,591,621	47.64%
Interest rate swap contracts	-	1,773,400	5,605	-	-	-	1,823,850	3.53%
Currency swap contracts	-	1,295,580	(27,322)	-	-	-	940,900	1.82%
Total	-	39,801,578	(658,166)	-	-	-	31,066,132	60.18%

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Explanations on the accounting policies and specific accounting principles on the hedging business for the Reporting Period as well as whether there are any significant changes compared with those for the last reporting period	No
Explanations on the actual profit or loss during the Reporting Period	During the Reporting Period, the Group's losses arising from changes in fair values of the derivative financial instruments were RMB658.166 million, investment losses were RMB626.749 million, which were RMB1,284.915 million in total. In particular, during the Reporting Period, the Group recorded net losses of RMB1,290.520 million from foreign exchange related derivatives investment activities, which constituted most of the total losses from derivative financial instruments; meanwhile, net exchange gains of RMB338.618 million were recorded during the current period. The derivative investments and foreign exchange gains or losses included in the aforementioned hedging activities incurred a net loss of RMB951.902 million. During the Reporting Period, the Group's total exposure increased significantly, while the USD/RMB forward discount remained at high levels. To avoid bearing higher hedging costs, the Group shifted to a strategy of "short-term flexibility + optimised hedging costs", resulting in a material reduction in hedging expenses. However, facing substantial foreign exchange translation losses from RMB appreciation in the third quarter of the Reporting Period, the Group increased its hedge ratio to mitigate further appreciation risks. Ultimately, due to the unexpected RMB depreciation in the fourth quarter of the Reporting Period, the Group incurred losses on hedging instruments from exchange rate volatility.
Explanation on hedging effect	In general, the foreign exchange derivatives hedging business of the Group has followed the value-preserving principle, and speculative transactions have been prohibited, with the aim to avoid excessive discount costs. During the year, the Group adaptively adjusted its hedging strategies in response to exchange rate fluctuations, achieved a significant reduction in discount costs compared to 2023, and largely met the objectives of hedge management for enhancing value and the goals of controlling management costs. However, the volatility of RMB in the second half (first appreciating and then depreciating) ultimately resulted in losses from hedging instruments due to exchange rate fluctuations.
Source of funds for derivatives investments	Self-owned funds.

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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 at 31 December 2024, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, foreign exchange option contracts, currency swap contracts and interest rate swap contracts. 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 currency swap contracts were related to the fluctuations of exchange rates and interest rates for swap currencies. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The Group's control measures on the derivative financial instruments were mainly reflected in: based on the actual business background and needs of the Group's operations, the Group adhered to the fundamental principles of risk neutrality and hedging and prohibited speculative transaction; as for derivatives transactions, the Group formulated rigorous internal approval systems and business 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	From January to December 2024, the Group's loss arising from changes in fair values of the derivative financial instruments was RMB658.166 million. Fair values of the derivative financial instruments of the Group were determined based on quoted market price of external financial institutions.
Litigation case (if applicable)	None
Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any)	27 March 2024
Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Shareholders' general meeting (if any)	26 June 2024

5. Use of Raised Proceeds

☐ Applicable ☒ Not Applicable

The Company did not use the raised proceeds during the Reporting Period.

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6. Future plans for significant investments, expected source of funding, capital expenditure and financial plan

The operating and capital expenditures of the Group are mainly financed by our own fund 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 RMB4.9 billion in 2025, mainly used in equity acquisition and the acquisition of fixed assets, intangible assets and other long-term assets etc. The Group will continue to consider various types of financing arrangements.

VII. SIGNIFICANT INVESTMENTS AND MAJOR ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (INCLUDING DISPOSAL OF SUBSTANTIAL ASSETS AND EQUITY INTERESTS)

1. Disposal of Substantial Assets

☐ Applicable ☒ Not Applicable

2. Disposal of Substantial Equity Interests

☐ Applicable ☒ Not Applicable

During the Reporting Period, the Group did not have any significant investment, major acquisition or disposal of subsidiaries, associated companies and joint ventures which accounted for 5% or more of the total assets of the Company at the balance sheet date. For details, please refer to note V. 14 and note VI to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in this Report.

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VIII. ANALYSIS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

✓ Applicable ☐ Not applicable

Please refer to the relevant information contained in “II. Review of the Principal Businesses during the Reporting Period” under “Chapter IV Report of the Board and Management Discussion and Analysis” of this Report for the details of operations of principal subsidiaries. For details of the subsidiaries, joint ventures and associates of the Group during the Reporting Period, please refer to note V. 14 and note VI. to “Chapter X Financial Statements and Audit Report 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

Name of company	Type of company	Principal business	Registered capital/share capital	Total assets	Net assets	Revenue	Operating profit	Net profit
CIMC Container (Group) Co., Ltd. (Note 1)	Subsidiary	Mainly engaged in manufacturing and sale of containers	6,634,024	42,867,864	21,199,310	62,205,203	4,933,061	3,561,556
CIMC Vehicles (Note 2)	Subsidiary	Road Transportation Vehicles Business	1,874,124	22,685,887	14,940,216	20,998,201	1,469,726	1,081,179
CIMC Enric (Note 3)	Subsidiary	Energy, Chemical and Liquid Food Equipment Business	18,521	29,381,665	13,105,038	24,755,737	1,538,446 (Note 3)	1,143,835
CIMC Wetrans (Note 1)	Subsidiary	International and domestic freight transport agents, and general and CIQ affairs	1,741,106	8,838,221	3,111,548	31,389,341	576,310	436,587

Note 1: The financial data in the above table is taken from the management account.

Note 2: The financial data for CIMC Vehicles is extracted from its annual report for 2024.

Note 3: CIMC Enric is a company listed on the Hong Kong Stock Exchange, and the financial data in the above table is extracted from its 2024 annual results announcement prepared in accordance with the Hong Kong Accounting Standards. In particular, operating profit for the Reporting Period refers to the “operating profit” in the financial statements.

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Details on acquiring and disposing major subsidiaries during the Reporting Period

☒ Applicable ☐ Not applicable

Name of company	Method of acquiring and disposing subsidiary	Impact on overall production and operation and performance
Shanghai CIMC Tongchuang Steel Processing Co., Ltd.	Cash acquisition	No significant impact
Hubei CIMC Superfiber Technology Co., Ltd.	Cash acquisition	No significant impact
Bangkok Coil Center Co., Ltd.	Cash acquisition	No significant impact

IX. STRUCTURED BODY CONTROLLED BY THE COMPANY

☐ Applicable ☒ Not applicable

X. EMPLOYEES OF THE COMPANY

1. Employees and Remuneration Policies

As at 31 December 2024, the Group's total number of employees worldwide, including contract employees, employed retirees and part-time employees and others, was 78,776 (31 December 2023: 68,940), and the Group had a total of 50,686 contract employees (31 December 2023: 50,632) across the globe. The total staff cost during the Reporting Period, including directors' remuneration and contribution to the retirement benefit schemes, amounted to approximately RMB16,962.771 million (2023: approximately RMB12,474.146 million). For details, please refer to note V. 55 to "Chapter X Financial Statements and Audit Report 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. Other benefits include social insurance required by the Chinese government, etc. The Group regularly reviews its remuneration policies, including directors' remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the results of the Group and the market conditions.

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2. Number of Employees, Professional Composition and Education Background

Number of in-service employees of the Company at the end of the Reporting Period	294
Number of in-service employees of principal subsidiaries at the end of the Reporting Period	50,392
Total number of in-service employees at the end of the Reporting Period	50,686
Total number of employees who received salaries during the Reporting Period	50,686
Number of retired employees whose expense should be assumed by the Company and principal subsidiaries	304
Professional composition	
Professional composition	Number of employees
Production personnel	22,728
Management personnel	4,237
Sales personnel	4,308
Technical personnel	5,774
Financial personnel	1,597
Others	12,042
Total	50,686
Education background	
Education degree	Number of employees
PhD	38
Master	2,050
Bachelor	13,749
College	10,949
Senior high school and below	23,900
Total	50,686

As at 31 December 2024, the Group had 8,763 female regular contract employees, accounting for approximately 17.3% of the total number of our regular contract employees, while the number of our male regular contract employees was 41,923, accounting for approximately 82.7% of the total number of our regular contract employees, with which we have achieved gender diversity in our workforce.

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3. 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.

4. Labour Outsourcing

☐ Applicable ☒ Not Applicable

5. 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 III. 25 and note V. 55 to “Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE” in this Report.

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XI. OTHER MATTERS**1. Management Contract**

During the Reporting Period, the Company did not enter into any contracts concerning the management or administration of all or a significant portion of its business with any persons other than the Directors or any full-time employees of the Company, nor did any such contracts exist.

2. Repurchase, Sale or Redemption of Securities

During the period from 15 January 2024 to 31 January 2024, the Company repurchased a total of 24,645,550 A shares by way of centralized bidding trading through its specific securities account for repurchase, representing 0.4570% of the issued share capital of the Company, at the maximum purchase price of RMB8.45 per share and the minimum purchase price of RMB7.73 per share, with the total capital amounting to RMB200,067,828.50 (exclusive of transaction fees). The repurchase of a portion of A shares of the Company had been completed in compliance with relevant laws and regulations and the established share repurchase plan of the Company. As at the end of the Reporting Period, the Company held 24,645,550 treasury A shares. For details, please refer to “IV. Repurchase of Shares during the Reporting Period” of “Chapter VIII Changes in Share Capital and Information on Shareholders” in this Report.

Save as disclosed above, the Company or any of its subsidiaries did not sell any listed securities (including treasury shares) of the Company, nor did it purchase or redeem any listed securities during the 12 months ended 31 December 2024. As at the end of the Reporting Period, the Company did not hold any treasury H shares as defined under the Hong Kong Listing Rules.

3. 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.

4. Corporate Bonds and Medium-term Notes

During the Reporting Period, there were no corporation bonds of the Company. 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 IX Bonds” in this Report for details of medium-term notes issued by the Company.

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5. Taxes

In accordance with the provisions of the “Individual Income Tax Law of the People’s Republic of China” and its implementing regulations and Guo Shui Han No. [2011]348, 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.

6. Donation

During the Reporting Period, the Group has made a total donation of RMB17.598 million (same period in 2023: RMB16.375 million).

7. 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.

8. Permitted Indemnity Provision

During the Reporting Period and up to the date of this Report, no permitted indemnity provision which benefits the Directors or Supervisors of the Company was in force or is currently in force (whether entered into by the Company or not), and no permitted indemnity provision which benefits the directors or supervisors of associated companies of the Company was in force or is currently in force (if entered into by the Company).

The Company has arranged appropriate liability insurance coverage for the potential legal risks faced by its Directors, Supervisors and senior management during their performance of duties.

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9. Share Capital

As at 31 December 2024, the Company's share capital is as follows:

	Par value per share	Number of shares issued (shares)	Percentage (%)
A Shares	RMB1.00	2,302,682,490	42.70%
H Shares	RMB1.00	3,089,837,895	57.30%
Total	–	5,392,520,385	100.00%

10. Changes of Directors and Supervisors

During the Reporting Period, the changes of Directors and Supervisors of the Company are listed in "2. Changes of Directors, Supervisors and Senior Management of the Company" under "V. Directors, Supervisors and Senior Management" of "Chapter V Corporate Governance" in this Report.

11. Sustainable Development & Environmental, Social and Governance Report

The Company published the 2023 Social Responsibility & Environmental, Social and Governance Report and the 2024 Sustainable Development & 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 2024 and 27 March 2025 respectively.

12. 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 XIV to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in this Report.

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XII. RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
28 March 2024	The Group's headquarters, RoadShowChina, P5w.net, Easy Board, Futu and other online platforms	On-site meeting, network platform online communication	Others	All investors who signed up for the meeting	Interpretation of the Group's 2023 annual results, introduction to business highlights and 2024 business plan outlook, etc.	For details, please refer to the "Investor Relations Management Information of CIMC 20240329" (No. 2024-001) published by the Company on Cninfo (www.cninfo.com.cn) on 29 March 2024
30 April 2024	The Group's headquarters	Tele conference	Institutions	Huatai Securities, GF Securities, UBS, CITIC Securities, etc.	Interpretation of the Group's 2024 first quarter results, introduction to business highlights and future business development, etc.	For details, please refer to the "Investor Relations Management Information of CIMC 20240430" (No. 2024-002) published by the Company on Cninfo (www.cninfo.com.cn) on 30 April 2024

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Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
May 2024	Chengdu, Beijing, Shenzhen	Strategy conference	Institutions	Changjiang Securities 2024 Interim Strategy Conference, TF Securities 2024 Interim Listed Companies Exchange Meeting, Industrial Securities 2024 Overseas Investment Strategy Conference	The Group's principal business performance, investment progress, recent business development performance and industry outlook	For details, please refer to the "Investor Relations Management Information of CIMC 20240612" (No. 2024-003) published by the Company on Cninfo (www.cninfo.com.cn) on 12 June 2024
	Shenzhen, Hong Kong	On-site meeting, tele conference	Institutions	Minsheng Securities, Bosera Securities, China Investment, Sumitomo Mitsui, Allianz Global Investors, Fullgoal Hong Kong, MILLENIUM CAPITAL, ExodusPoint CAPITAL, EASTSPRING INVESTMENTS, China Pinnacle Equity, Seahawk China, Principal Global Investors, China Universal Hong Kong, Taikang Asset Management, Invesco, T.Rowe Price, Polymer Capital, Dymon Asia Capital, China Everwin, CMB Wealth Management, Zhongtai Securities, etc.		
	The Group's headquarters	On-site research, on-site meeting	Institutions	UBS Asia Investment Forum – China High-end Manufacturing Theme Research		

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Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
26 June 2024	The Group's headquarters	On-site meeting	Others	Some Shareholder representatives, journalists, etc.	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240626" (No. 2024-004) published by the Company on Cninfo (www.cninfo.com.cn) on 26 June 2024
June 2024	Shanghai, Shenzhen, the Group's headquarters	Strategy conference	Institutions	Huatai Securities 2024 Interim Investment Conference, Everbright Securities 2024 Interim Listed Companies Exchange Meeting, CITIC Securities 2024 Capital Market Forum, CICC 2024 Interim Investment Strategy Conference, Sinolink Securities 2024 Interim Strategy Conference, Minsheng Securities 2024 Interim Investment Strategy Conference	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240802" (No. 2024-006) published by the Company on Cninfo (www.cninfo.com.cn) on 2 August 2024
	Shenzhen, Shanghai	On-site meeting, tele conference	Institutions	China Merchants Fund, Pacific Asset Management, JPMorgan Asset Management, UBS SDIC, Huatai Borui, Huatai Asset, China Universal Hong Kong, Hongde Fund, Guotai Junan, China Life Asset, First State Cinda, Qianhai Kaiyuan, Southern Asset Management, Penghua Fund, CITIC Securities, Harvest Fund, Guolian Fund, AllianceBernstein, Orient Asset Management, LyGH Capital, China Everbright Securities, Huafu Securities, Hua'an Securities, etc.		

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Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
3 July 2024	Shenzhen	Tele conference	Institutions	Huatai Securities, GF Securities, SDIC Securities, CSC, Orient Securities, etc.	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240703" (No. 2024-005) published by the Company on Cninfo (www.cninfo.com.cn) on 3 July 2024
July 2024	Shenzhen, Shanghai	Strategy conference	Institutions	Industrial Securities 2024 Interim Strategy Conference, 22nd Scaling New Heights Asia Investment Forum 2024, Zheshang Securities Globalisation Forum, TF Securities Closed-Door Strategy Meeting	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240802" (No. 2024-006) published by the Company on Cninfo (www.cninfo.com.cn) on 2 August 2024
	Shenzhen, Shanghai, Beijing, Guangzhou	On-site meeting, tele conference	Institutions	China Post Securities, AXA SPDB Investment, Point72, Huayuan Securities, Ivy Assets, Harvest Fund, Taikang Asset, Life Asset Management, China Reform Investment, Yinhua Fund, ICBC Credit, CCB Principal Asset Management, Ping An Asset Management, CPIC AMC, HSBC Jintrust, GF Fund, E Fund, GE Fund, etc.		

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Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
2 August to 9 August 2024	Shenzhen	On-site meeting, tele conference	Institutions	Maxwealth Fund, Ivy Assets, UBS, ABC-CA, Hua Chuang Securities, Ping An Annuity, GF Securities	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20240903(1)" (No. 2024-007) published by the Company on Cninfo (www.cninfo.com.cn) on 3 September 2024
29 August 2024	Hong Kong, RoadShowChina and other online platforms	On-site meeting, network platform online communication	Institutions	53 institutions including Huatai Securities, GF Securities, Changjiang Securities, CITIC Securities, Guosen Securities, Soochow Securities, Everbright Securities, Vanho Securities, Industrial Securities, Shanxi Securities, TF Securities, China Galaxy Securities, UBS, CICC, Taiping Pension, China Investment, BNB Wealth Management, BlackRock, etc.	Interpretation of the Group's 2024 interim results, introduction to business highlights and future business development and outlook, etc.	For details, please refer to the "Investor Relations Management Information of CIMC 20240903(2)" (No. 2024-008) published by the Company on Cninfo (www.cninfo.com.cn) on 3 September 2024
30 August 2024	Shanghai	Strategy conference	Institutions	GF Securities 2024 Autumn Capital Forum & Closed-Door Meeting with Listed Companies, Huafu Securities 2024 Autumn Economic & Investment Summit	The Group's principal business performance, investment progress, recent business development performance and industry outlook	

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REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
September 2024	Shenzhen	Strategy conference	Institutions	Huatai Securities 2024 Autumn Investment Summit, Changjiang Securities 2024 Autumn Premium Listed Companies Conference	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20241009" (No. 2024-009) published by the Company on Cninfo (www.cninfo.com.cn) on 9 October 2024
	Shenzhen	On-site meeting, tele conference	Institutions	China Investment, Great Wall Fund, Orient Red Fund, Huatai Securities group conference call		
1 October to 28 October 2024	Shenzhen	Strategy conference	Institutions	Minsheng Securities Strategy Conference, SDICSI 2024 Autumn Investment Strategy Conference	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20241101(1)" (No. 2024-010) published by the Company on Cninfo (www.cninfo.com.cn) on 1 November 2024

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REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
30 October to 31 October 2024	Shenzhen	Tele conference	Institutions, media	40 institutions and media including Huatai Securities, GF Securities, Changjiang Securities, CITIC Securities, Guotai Junan, UBS, Everbright Securities, Vanho Securities, Industrial Securities, CICC, BNB Wealth Management, National Business Daily, etc.	Interpretation of the Group's 2024 third quarter results, introduction to business highlights and future business development and outlook, etc.	For details, please refer to the "Investor Relations Management Information of CIMC 20241101(2)" (No. 2024-011) published by the Company on Cninfo (www.cninfo.com.cn) on 1 November 2024
	Shenzhen	Tele conference	Institutions	UBS group conference call, Millennium Management	The Group's principal business performance, investment progress, recent business development performance and industry outlook	

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REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
November 2024	Shanghai, Beijing, Shenzhen, Hong Kong, Hangzhou	Strategy conference	Institutions	Soochow Securities Strategy Conference, Everbright Securities Strategy Conference, Huatai Securities Strategy Conference, CITIC Securities Strategy Conference, CICC Strategy Conference, CAPCO "Listed Companies in Hong Kong – Investor Exchange Programme", Caitong Securities Strategy Conference, Hua Chuang Securities Strategy Conference, Guosen Securities Strategy Conference	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20241206" (No. 2024-013) published by the Company on Cninfo (www.cninfo.com.cn) on 6 December 2024
	Shanghai, Beijing	On-site meeting	Institutions	China Investment, China Post & Capital Fund, China Universal, Dong Fang Hong Asset Management, China Life Annuity Fund, Franklin Templeton Sealand, Aegon-Industrial Fund, Zhong Ou Asset, HFT, GF Fund, China AMC, Dajia Asset, Guolian Fund, New China Asset, ICBC Credit, Stonelake Asset, Hongde Fund, Harvest Fund		

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REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Index of the basic particulars of the research
26 November 2024	Nantong	On-site research, on-site meeting	Institutions	Merchants Securities, GF Securities, Yong'an P&C Insurance, China Post Securities, Industrial Securities, CICC, Sinolink Securities, Hang Seng Bank, Sumitomo Mitsui DS Asset Management, Changjiang Securities, Haitong Securities, Beijing Chaoyang Tianchen, Orient Asset Management, Huaneng Guicheng Trust, Origin Asset, Haitong Securities, Huatai International, Everbright Securities, Guotai Junan, etc.	Visit to production lines of CIMC Safeway and the shipyard located at the western end of CIMC Pacific Ocean Engineering, and open dialogue addressing investor concerns	For details, please refer to the "Investor Relations Management Information of CIMC 20241126" (No. 2024-012) published by the Company on Cninfo (www.cninfo.com.cn) on 26 November 2024
12 December 2024	Investor Relation Interaction Platform on p5w.net (https://ir.p5w.net)	Network platform online communication	Others	All investors engaging in the communication activity via the Investor Relation Interaction Platform of p5w.net	The Group's principal business performance, investment progress, recent business development performance and industry outlook	For details, please refer to the "Investor Relations Management Information of CIMC 20241212" (No. 2024-014) published by the Company on Cninfo (www.cninfo.com.cn) on 12 December 2024
December 2024	Shanghai	On-site meeting	Institutions	BNB Wealth Management, Aegon-Industrial Fund, BOC Asset Management	Same as above	For details, please refer to the "Investor Relations Management Information of CIMC 20250102" (No. 2025-01) published by the Company on Cninfo (www.cninfo.com.cn) on 2 January 2025
	Hong Kong, Shenzhen, Shanghai	Strategy conference	Institutions	GF Securities Strategy Conference, Wonderful Sky IDEAS Summit, Guotai Junan Strategy Conference, Minsheng Securities Strategy Conference, Soochow Securities Strategy Conference, Sinolink Securities Strategy Conference, Golden Bauhinia Hong Kong International Finance Week – Hong Kong		



CHAPTER IV

REPORT OF THE BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

XIII. FORMULATION AND IMPLEMENTATION OF MARKET VALUE MANAGEMENT SYSTEM AND VALUE ENHANCEMENT PLAN

Whether the Company has formulated the Market Value Management System

☒ Yes ☐ No

The Company has formulated the Market Value Management System of China International Marine Containers (Group) Co., Ltd. in accordance with Guidelines No. 10 on Supervising Listed Companies – Market Value Management issued by China Securities Regulatory Commission and other relevant regulations in light of the actual situation, so as to continuously promote the enhancement of the investment value of the Company and to strengthen the return to investors and effectively regulate market value management activities to maximize the value of the Company and the interests of shareholders. The system has been considered and approved at the second meeting in 2025 of the tenth session of the Board of the Company convened on 7 January 2025.

Whether the Company has disclosed the Value Enhancement Plan

☐ Yes ☒ No

XIV. IMPLEMENTATION OF THE “DUAL IMPROVEMENT OF QUALITY AND RETURN” ACTION PLAN

Whether the Company has disclosed the “Dual Improvement of Quality and Return” action plan

☐ Yes ☒ No

During the Reporting Period, the Company had not disclosed the “Dual Improvement of Quality and Return” action plan.

CHAPTER V

CORPORATE GOVERNANCE

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 (PREPARED IN ACCORDANCE WITH PRC SECURITIES REGULATORY REQUIREMENTS)

I. SITUATION OF CORPORATE GOVERNANCE

During the Reporting Period, the Company continued to enhance and improve its corporate governance and standardized operation in strict compliance with the requirements of laws and regulations including the PRC Company Law, the Code of Corporate Governance for Listed Companies, Guidelines on the Articles of Association of Listed Companies as well as the requirements of the Listing Rules. The Group has made the corporate governance by law an important part of its internal control works. 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 the series of rules and regulations of the Company such as the Articles of Association, the Rules of Procedure for General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee, the independent directors and the special committees under the Board gave full play to their roles to ensure that the functions and responsibilities of the General Meeting, the Board and the Supervisory Committee were properly performed and balanced, so as to protect the interests of the Company and its Shareholders and ensured the sustainable and healthy development of the Company. During the Reporting Period, the Company continued to enhance its management of key risks by launching special initiatives, focused on key risk areas such as the corporate governance, issued the Notice on Further Implementation of Key Risk Control Requirements of the Group, and strengthened the dynamical management and control of key risks through self-inspection of the Company and the establishment of dedicated “High-risk Areas” inspection team by the Group/business segments.

Amendments made to the systems and rules during the Reporting Period:

During the Reporting Period, the Company constantly improved its corporate governance system in accordance with the requirements of the securities regulators of Hong Kong and China by revising such systems and rules as the Articles of Association, the Rules of Procedure for General Meetings, the Rules of Procedure for the Board of Directors and the Management System of Related Party Transactions and the implementation rules of relevant special committees under the Board. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn), the Company’s website (www.cimc.com) and that of the Hong Kong Stock Exchange (www.hkexnews.hk) on 16 May 2024 and 26 June 2024.

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CORPORATE GOVERNANCE

Capital market related major external awards granted to the Group during the Reporting Period were as follows:

No.	Awards	Awarded by
1	Best Practices for Investor Relation Management of Listed Companies 2023	
2	Best Practice of 2023 Annual Results Presentation of Listed Companies	China Association
3	Best Practice of Board Office of Listed Companies 2024	for Public
4	2024 Excellent Practice Case of Board of Directors of Listed Companies	Companies
5	2024 Excellent Case of Digital Transformation of Listed Companies in China	
6	Top 100 Chinese Leading Enterprises in Strategic Emerging Industries (ranked 76th)	China Enterprise Confederation, China Enterprise Directors Association
7	TOP100 in the Brand Value List of Chinese Listed Companies in 2024	National Business Daily
8	The 15th Tianma Award•Tianma Award for Investor Relations for Hong Kong Stocks	Securities Times
9	The 7th New Fortune Best IR of Hong Kong Listed Company (A+H shares)	New Fortune
10	Guruclub Award of Selection for the Outstanding Companies of the Year•Investment Value for the Year	Gelonghui
11	cls.cn • 7th Annual Investment Conference • Most Investment Value Award	www.cls.cn
12	The 8th China IR Annual Awards•Best Value Creation Award	
13	The 8th China IR Annual Awards•Best Capital Market Communication Award	Roadshow China
14	The 8th China IR Annual Awards•Best Investor Relations Program	
15	The 8th China IR Annual Awards•Best Leader Award	

CHAPTER V CORPORATE GOVERNANCE

Formulation and implementation of registration and management system of insiders

The Company has formulated 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 2024, the Company faithfully implemented inside information and insider management system 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.

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

II. INDEPENDENCE OF THE COMPANY FROM ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLERS IN RESPECT OF ASSETS, PERSONNEL, FINANCE, ORGANISATIONAL STRUCTURE AND BUSINESS

The Company has no controlling shareholder or de facto controller. The Company's largest shareholder is Shenzhen Capital Group. The Company has an independent and complete business system as well as the capacity of independent operation in the market. The Company is fully independent from its largest shareholder in respect of business, personnel, asset, organizational structure and finance, and they conduct audit and assume responsibilities and risks independently. (1) Assets: The Company and its largest shareholder possess clear title to the relevant assets with complete and proper supporting documents under independent management by the Company. Its largest shareholder did not occupy or dominate assets of the Group, and not interfere with the management of assets by the Group. (2) Personnel: The labor, personnel and salary management institutions of the Company are independent. The system is complete. The Company and its largest shareholder do not share staff or senior management. All of the Company's senior management are paid by the listed company. The financial staff of the Company do not hold any other positions in the related companies. (3) Finance: The finance department, financial accounting system, financial management system and bank accounts of the Company are independent and pay their respective taxes independently. (4) Organizational structure: the Board, the Supervisory Committee and other internal institutions of the Company are complete and operate independently. The largest shareholder performs its 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) Business: The production system, purchase system, auxiliary production system and sales system of the Group are completely independent. The Company owns intangible assets such as industrial property, trademark, and non-patent technology independently.

III. HORIZONTAL COMPETITIONS

☐ Applicable ☒ Not Applicable

CHAPTER V CORPORATE GOVERNANCE

IV. RELEVANT SITUATIONS OF ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETINGS 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	Disclosure date	Resolution of the meeting
The first extraordinary general meeting for 2024	Extraordinary general meeting	56.8854%	13 March 2024	13 March 2024	<ol style="list-style-type: none"> Resolution on Amendments to the Rules of Selection and Recruitment of Accounting Firms of China International Marine Containers (Group) Co., Ltd.; Resolution on Formulation of the Working Rules for Independent Directors of China International Marine Containers (Group) Co., Ltd.
Annual general meeting for 2023	Annual general meeting	57.6725%	26 June 2024	26 June 2024	<ol style="list-style-type: none"> Working Report of the Board of CIMC for 2023; Working Report of the Supervisory Committee of CIMC for 2023; 2023 Annual Report; Resolution Regarding the Proposal on Profit Distribution and Dividend Distribution for 2023; Resolution Regarding the Proposed Change of Accounting Firm for 2024; Resolution Regarding the Commencement of Derivative Hedging Business Management in 2024; Resolution Regarding the Review of Director ZHAO Feng's Remuneration; Resolution Regarding the Amendments to the Management System of Related Party Transactions of China International Marine Containers (Group) Co., Ltd.; Resolution Regarding the Guarantee Plan in 2024; Resolution Regarding the Provision of Guarantee for Shenzhen CIMC Industry & City Development Group Co., Ltd. and its Subsidiaries in 2024; Resolution Regarding the Provision of Guarantee for CIMC Financial Leasing Co., Ltd. and its Subsidiaries in 2024; Resolution Regarding the Request by the Board for General Mandate by the General Meeting on the Repurchase of Shares; Resolution Regarding the Request by the Board for General Mandate by the General Meeting on the Issuance of Shares; Resolution Regarding the Amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd.; Resolution Regarding the Amendments to the Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.; Resolution Regarding the Amendments to the Rules of Procedure for the Board of Directors of China International Marine Containers (Group) Co., Ltd.

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Session of meeting	Type of meeting	Proportion of investors' participation (note)	Date	Disclosure date	Resolution of the meeting
2024 first class meeting of A Shareholders	Class meeting	27.5212%	26 June 2024	26 June 2024	<ol style="list-style-type: none"> 1. Resolution Regarding the Request by the Board for General Mandate by the General Meeting on the Repurchase of Shares; 2. Resolution on the Amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd.; 3. Resolution on the Amendments to the Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.
2024 first class meeting of H Shareholders	Class meeting	79.8723%	26 June 2024	26 June 2024	<ol style="list-style-type: none"> 1. Resolution Regarding the Request by the Board for General Mandate by the General Meeting on the Repurchase of Shares; 2. Resolution on the Amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd.; 3. Resolution on the Amendments to the Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.
The second extraordinary general meeting for 2024	Extraordinary general meeting	56.7454%	12 November 2024	12 November 2024	<ol style="list-style-type: none"> 1. Resolution on Update to the Guarantee Plan of CIMC in 2024; 2. Resolution on the Application for Registration Issuance of Debt Financing Instrument (DFI) of the Association of Financial Market Institutional Investors
The third extraordinary general meeting for 2024	Extraordinary general meeting	43.7551%	27 December 2024	27 December 2024	Resolution Regarding the Continuing Connected Transactions/ Ordinary Related-party Transactions between the Group and Sinotrans & CSC Holdings Co., Ltd. and its subsidiaries

2. The extraordinary general meetings requested by the shareholders of preference shares who regained the voting right

☐ Applicable ☒ Not Applicable

CHAPTER V CORPORATE GOVERNANCE

V. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Brief Biography of the Directors, Supervisors and Senior Management of the Company

(1) Directors

Information on the existing Directors is set out below:

Name	Gender	Age	Position	Term of office (Note 1)
MAI Boliang	Male	65	Chairman	From 27 August 2020 to 2024 annual general meeting
ZHU Zhiqiang	Male	50	Vice-chairman and non-executive Director	From 7 April 2021 to 2024 annual general meeting
MEI Xianzhi (Note 2)	Male	44	Vice-chairman and non-executive Director	From 13 March 2025 to 2024 annual general meeting
SUN Huirong	Male	41	Non-executive Director	From 14 November 2022 to 2024 annual general meeting
ZHAO Jintao (Note 2)	Male	47	Non-executive Director	From 13 March 2025 to 2024 annual general meeting
ZHAO Feng	Female	55	Non-executive Director	From 26 September 2023 to 2024 annual general meeting
LUI FUNG Mei Yee, Mabel	Female	73	Independent non-executive Director	From 3 June 2019 to 2024 annual general meeting
ZHANG Guanghua	Male	67	Independent non-executive Director	From 28 June 2022 to 2024 annual general meeting
YANG Xiong	Male	58	Independent non-executive Director	From 28 June 2022 to 2024 annual general meeting

Note 1: Each Director has entered into a service contract with the Company, the term of which covers the term of office of each Director.

Note 2: The Company received the written resignations from Mr. HU Xianfu and Mr. DENG Weidong, respectively, on 20 January 2025. Mr. HU Xianfu and Mr. DENG Weidong have tendered their resignations from all the positions of the tenth session of the Board of the Company due to the change in job assignments. Until the completion of the election procedures of the new Directors, Mr. HU Xianfu and Mr. DENG Weidong will continue to perform their duties in relation to the aforesaid directorships respectively, until the date on which the new Directors have been approved by the Shareholders at the general meeting of the Company. On 13 March 2025, the by-election of Mr. MEI Xianzhi and Mr. ZHAO Jintao as non-executive Directors of the tenth session of the Board of the Company have been approved at the first extraordinary general meeting for 2025 of the Company with their terms of office commencing on the date of consideration and approval at the general meeting and expiring upon the expiry of the tenth session of the Board.

Brief biography of Directors:

Mr. MAI Boliang (麥伯良), born in 1959, has been the president of the Company since 7 March 1994, and an executive director of the Company since 8 March 1994. He has been an executive director, the CEO and the president of the Company since 27 August 2015, and the Chairman, an executive director and the CEO of the Company since 27 August 2020. He has been serving as the Chairman and an executive director of the Company since 26 September 2023. He is also currently the chairman of the Strategy Committee and a member of the Nomination Committee of the Board of the Company, and concurrently serves as the chairman of the board of directors of the relevant holding subsidiaries of the Company. From October 2018 to September 2024, he was the president and a non-executive director of CIMC Vehicles (Group) Co., Ltd. (301039. SZ). 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's degree. Mr. MAI is the honorary president of the China Container Industry Association and the president of Shenzhen Association for Listed Companies.

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Mr. ZHU Zhiqiang (朱志強), born in 1975, being a member of the Communist Party of China, graduated from Fudan University with a major in the Public Administration and obtained a master's degree in management. He currently serves as the deputy secretary of the Party Committee, the general manager and a director of Shenzhen Capital Holdings Co., Ltd., and also holds concurrent positions in other related enterprises under the company. He was the deputy chief of the enterprises division I, deputy chief and chief of the strategic development division of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen. He has been a non-executive director, the Vice Chairman, a member of the Strategy Committee and a member of the Nomination Committee of the Board of the Company since 7 April 2021.

Mr. MEI Xianzhi (梅先志), born in 1980, holds a bachelor's degree in engineering from Wuhan University of Technology and a master's degree in management from Zhejiang University and he is a senior engineer. He is currently a member of the Party Committee and general manager of China Merchants Industry Holdings Co., Ltd., and concurrently serves as the chairman of CM Energy Tech Co., Ltd. (00206.HK), China Merchants New Material Technology (Chongqing) Co., Ltd., China Merchants Industry Digital Technology (Jiangsu) Co., Ltd. and other companies; a director of Soares Limited, China Merchants (CIMC) Investment Limited, China Merchants Offshore Engineering Investment Shenzhen Co., Ltd., Nantong Zhaohai Real Estate Development Co., Ltd. (南通招海置業有限公司) and other domestic and foreign companies. Mr. MEI Xianzhi successively served as a deputy manager of the engineering management department of Yiu Lian Dockyards(Shekou) Limited, the assistant to the general manager and manager of production management department of China Merchants Heavy Industry (Shenzhen) Co., Ltd., the leader of the cruise construction preparatory team of China Merchants Industry Holdings Co., Ltd., the general manager of China Merchants Cruise Shipbuilding Co., Ltd., an executive director and the general manager of China Merchants Cruise Research Institute (Shanghai) Co., Ltd., a director and the general manager of China Merchants Heavy Industry (Jiangsu) Co., Ltd. and the assistant to the general manager and deputy general manager of China Merchants Industry Holdings Co., Ltd. He has been a non-executive director, the Vice Chairman and a member of the Strategy Committee of the Board of the Company since 13 March 2025.

Mr. SUN Huirong (孫慧榮), born in 1983, a member of the Communist Party of China, graduated from Fudan University with a major of Finance. He holds a part-time postgraduate diploma and a master's degree in economics. He was a senior officer and project manager of Shenzhen Geotechnical Investigation & Surveying Institute Co., Ltd. (深圳市勘察測繪院有限公司); an investment director of Shenzhen Horizon Investment Management Co., Ltd. (深圳市地平線投資管理有限公司); and the senior manager, deputy director of the strategic research & mergers and acquisitions department, the deputy director and director of the asset management department and director of the audit department of Shenzhen Capital Holdings Co., Ltd. He is currently the director of the finance management department of Shenzhen Capital Holdings Co., Ltd, the general manager and director of China Resources SZITIC investment Co., Ltd. (華潤深國投投資有限公司). He has been a non-executive director of the Company, the chairman of the Risk Management Committee of the Board and a member of the Remuneration and Appraisal Committee of the Board since 14 November 2022.

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Mr. ZHAO Jintao (趙金濤), born in 1977, graduated from Nankai University with a bachelor's, master's, and doctoral degree. He is currently the deputy director of the Strategic Development Department of China Merchants Group Limited. Mr. ZHAO Jintao has previously served as deputy general manager of China Merchants Heavy Industry (Shenzhen) Co., Ltd., assistant director and deputy director of the Strategic Development Department of China Merchants Group Limited, a member of the Standing Committee of the Party Committee and deputy governor of Chuxiong Prefecture, Yunnan Province, and deputy director of the Administrative Committee of Zhangzhou China Merchants Economic and Technological Development Zone. He has been a non-executive director and also a member of both the Remuneration and Appraisal Committee and the Risk Management Committee of the Board of the Company since 13 March 2025.

Ms. ZHAO Feng (趙峰), born in 1969, graduated from Nankai University with a bachelor degree in accounting and auditing. She is a PRC Certified Public Accountant, a fellow of the Association of Chartered Certified Accountants (FCCA) and a member of Hong Kong Institute of Certified Public Accountants (HKICPA). She is currently an independent non-executive director of Shandong Gold Mining Co., Ltd. (600547.SH/01787.HK), an independent non-executive director of China Longyuan Power Group Corporation Limited (001289.SZ/00916.HK) and an independent non-executive director of Xiamen International Bank Co., Ltd. She served as an auditor of Arthur Anderson Hua Qiang Certified Public Accountants (安達信華強會計師事務所), the chief financial officer of East Asiatic Company (PRC), the chief financial officer and the general manager of Denmark Wangtai Communications Technology (PRC) (丹麥網泰通訊科技(中國)), the chief financial officer of Apple Inc. (PRC), the chief financial officer and the general manager of Infront Sports & Media (PRC) and an independent director of Shenzhen Weiye Decoration Group Co., Ltd. (深圳市維業裝飾集團股份有限公司) (300621.SZ). She has been a non-executive director of the Company since 26 September 2023.

Ms. LUI FUNG Mei Yee, Mabel (呂馮美儀), born in 1951, Justice of the Peace of Hong Kong. She holds a master's degree in law from the University of Hong Kong. She is currently a 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: 00201), Shun Ho Property Investments Limited (Hong Kong stock code: 00219) and Shun Ho Holdings Limited (Hong Kong stock code: 00253). She is a lawyer admitted to practice laws in Hong Kong, Singapore, New York State of the United States, England and Wales, and Victoria, Australia. She is an Appointed Attesting Officer (in Hong Kong) of China and an international 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, a member of the HKSAR Deposit Protection Appeals Tribunal, a member of the Air Transport Licensing Authority of Hong Kong, a member of the Appeal Panel (Housing) of Hong Kong, a member of the Board of Review (Inland Revenue Ordinance) of Hong Kong, a member of the Council on Human Reproductive Technology of Hong Kong, a member of the Criminal and Law Enforcement Injuries Compensation Boards of Hong Kong, a member of the Immigration Tribunal of Hong Kong, a member of the Post-Release Supervision Board of Hong Kong and a member of the Solicitors Disciplinary Tribunal Panel of Hong Kong. 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 Mainland China, with a focus on cross-border and international mergers and acquisitions and investment of diverse types. She has been an independent Director of the Company, the convenor of the Nomination Committee of the Board and also a member of each of the Remuneration and Appraisal Committee, the Audit Committee and the Risk Management Committee of the Board since 3 June 2019.

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Mr. ZHANG Guanghua (張光華), born in 1957, with a doctorate degree in economics, is a member of the group of chairmen of China Alliance of Social Value Investment (社會價值投資聯盟). He is serving as an independent director of Bank of Beijing Co., Ltd. (601169.SH), an independent director of Focus Media Information Technology Co. Ltd. (002027.SZ) and an independent director of YOU+ BANK Co., Ltd. (中郵惠萬家銀行有限責任公司). He also serves as a supervisor of Susall Wave Digital Technology (Shenzhen) Co., Ltd. Mr. ZHANG served as a deputy director of the Policy Research Office and the head of the Planning Department of the State Administration of Foreign Exchange, the deputy general manager of PBOC Hainan Branch, the deputy general manager and the deputy secretary of the CPC committee of PBOC Guangzhou Branch, the president and the deputy secretary of the CPC committee of Guangdong Development Bank, the deputy secretary of the CPC committee, an executive director, the vice president and the vice chairman of China Merchants Bank, the vice chairman of Wing Lung Bank, the chairman of CIGNA & CMB Life Insurance Company Limited, the chairman of China Merchants Fund Management Co., Ltd., the chairman of CMB International Capital Corporation Limited, the chairman of CMB Financial Leasing Co., Ltd. and the chairman and the secretary of the CPC committee of Bosera Asset Management Co., Ltd. He has been an independent director of the Company, the chairman of the Remuneration and Appraisal Committee of the Board and also a member of each of the Audit Committee, the Strategic Development Committee, the Risk Management Committee and the Nomination Committee of the Board since 28 June 2022.

Mr. YANG Xiong (楊雄), born in 1966, holds a bachelor's degree and is a certified public accountant. He currently serves as the senior partner of Beijing Dehao International Certified Public Accountants (Special General Partnership) as well as an independent director of Kingfa Sci. & Tech. Co., Ltd. (600143.SH) and an independent director of JSTI Group Co., Ltd. (300284.SZ). He also serves as the legal representative, an executive director and the general manager of Guizhou Tianheng Enterprise Management Service Co., Ltd. He served as an independent director of Bank of Guiyang Co., Ltd. (貴陽銀行股份有限公司) (601997.SH). He has been an independent director of the Company, the chairman of the Audit Committee of the Board and also a member of each of the Strategic Development Committee, the Risk Management Committee, the Remuneration and Appraisal Committee and the Nomination Committee of the Board since 28 June 2022.

CHAPTER V CORPORATE GOVERNANCE

(2) Supervisors

Information on the existing Supervisors is set out below:

Name	Gender	Age	Position	Term of office (Note)
SHI Lan	Female	51	Chairman of the Supervisory Committee	From 7 April 2021 to 2024 annual general meeting
LIN Changsen	Male	55	Supervisor	From 16 March 2023 to 2024 annual general meeting
MA Tianfei	Male	49	Supervisor	From 28 June 2022 to 2024 general meeting of employees (concurrent with the 2024 annual general meeting)

Note: Each Supervisor has entered into a service contract with the Company, the term of which covers the term of office of each Supervisor.

Brief biography of the Supervisors:

Ms. SHI Lan (石瀾), born in 1974, being a member of the Communist Party of China, graduated from Peking University with a major in Business Administration. She holds a master's degree in business administration and is a certified public accountant and an accountant. She currently serves as the deputy general manager of Shenzhen Capital Holdings Co., Ltd., the chairwoman of the supervisory committee of Vanho Securities Co., Ltd. and the chairwoman and general manager of Shenzhen Yuanzhi Venture Capital Co., Ltd. (深圳市遠致創業投資有限公司), and also holds other positions in subsidiaries of Shenzhen Capital Holdings Co., Ltd. She served as a department manager of Tianjian Xinde Accounting Firm (天健信德會計師事務所), the chief of the institution regulatory division II and the chief of accounting supervision division of CSRC Shenzhen Branch, the department head of the audit department, the Shenzhen co-head of the investment banking integrated industry group of CITIC Securities, the investment director of Shenzhen Capital Holdings Co., Ltd. and other positions. She has been the chairwoman of the Supervisory Committee and a supervisor representing the shareholders of the Company since 7 April 2021.

Mr. LIN Changsen (林昌森), born in 1969, is a senior accountant and is qualified as a PRC certified public accountant and holds a master's degree in business administration from Zhongnan University of Economics and Law. He currently serves as the deputy finance director of China Merchants Industry Holdings Co., Ltd. and also holds positions in relevant enterprises subordinated to China Merchants Industry Holdings Co., Ltd. Mr. LIN Changsen worked at Anhui Cement Factory (安徽省水泥製品廠) in June 1987 and served as the financial manager of Shenzhen Kang Er Fu Industrial Co., Ltd (深圳康爾福實業有限公司) from February 1994 to January 1999. He joined China Merchants Industry Holdings Co., Ltd. in January 1999 and successively served as the financial manager of Shenzhen Jiang Hui Ship Engineering Co., Ltd. (深圳江輝船舶工程有限公司), the vice general manager of the Finance Department of China Merchants Industry Holdings Co., Ltd., the finance director of China Merchants Heavy Industry (Jiangsu) Co., Ltd., and the general manager of the Finance Department of China Merchants Industry Holdings Co., Ltd. Mr. LIN Changsen served as the deputy finance director and general manager of the Finance Department of China Merchants Industry Holdings Co., Ltd. from December 2021 to December 2023. He has been a supervisor representing the shareholders of the Company since 16 March 2023.

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Mr. MA Tianfei (馬天飛), born in 1975, has been the director of the Group Office (Office of the Party Committee) of the Company since April 2021 and the chairman of the Labour Union of the Company since January 2022. Mr. MA joined the Company in March 2003 and successively served as the head of Corporate Culture, manager of Administrative Affairs Department, manager of Brand Management Department, manager of Public Affairs Department, manager of General Management Department, assistant to director and deputy director of the President's Office (now the Group Office). Mr. MA has been a deputy to the National People's Congress of Nanshan District, Shenzhen since September 2021. In July 2012, Mr. MA obtained a master's degree in science from University of Greenwich in the United Kingdom.

(3) Senior Management

Information on the existing members of the senior management is set out below:

Name	Gender	Age	Position	Term of office
MAI Boliang	Male	65	Executive Director	From 27 August 2015 to 2024 annual general meeting
GAO Xiang	Male	59	President	From 27 August 2020 to 2024 annual general meeting
LI Yinhui	Male	57	Vice President	From 13 March 2004 to 2025 annual Board meeting
HUANG Tianhua	Male	61	Vice President	From 27 March 2018 to 2024 annual general meeting
YU Yuqun	Male	59	Vice President	From 27 March 2018 to 2024 annual general meeting
ZENG Han	Male	49	Vice President and Chief Financial Officer (CFO)	From 26 March 2020 to 2025 annual Board meeting
WU Sanqiang	Male	54	Secretary to the Board/ company secretary	From 30 March 2021 to 2024 annual general meeting

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Brief biography of the senior management:

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

Mr. GAO Xiang (高翔), born in 1965, has been the president of the Company since 27 August 2020. Mr. GAO Xiang has been an assistant to the president of the Company since 2004, a vice president of the Company since 1 April 2015 and an executive vice president of the Company since 27 March 2018. Mr. GAO Xiang 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 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 Xiang is also the chairman and director of certain subsidiaries of the Company. Mr. GAO Xiang graduated from Tianjin University majoring in marine and shipbuilding engineering. He is a senior engineer.

Mr. LI Yinhui (李胤輝), born in 1967, graduated from Jilin University with a bachelor’s degree in history in July 1991, and obtained an MBA degree from School of Business in Nanjing University in December 1997 and Ph.D. in world economics from Jilin University in June 2001. Mr. Li has been a vice president of the Company since March 2004, and now also concurrently serves as the chairman or director of a number of subsidiaries of the Company, and worked with us as part-time vice president from October 2002 to October 2003. Mr. Li worked in State Commission of Foreign Trade and Economic Cooperation from May 1993 to March 2003, and worked in Ministry of Commerce from March 2003 to March 2004. Prior to that, Mr. Li worked in Central Committee of Chinese Communist Youth League.

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Mr. HUANG Tianhua (黃田化), born in 1963, graduated from Dalian Jiaotong University (formerly Dalian Railway College) majoring in welding technique and engineering. Mr. HUANG Tianhua has been a vice president of the Company from 27 March 2018, and president of CIMC Container (Group) Co., Ltd. from February 2021. Mr. HUANG Tianhua is also the chairman of various major and subordinate companies under CIMC Container (Group) Co., Ltd., and chairman of numerous new enterprises such as CIMC IOT and CIMC Fisheries. In addition, Mr. Huang also fulfills a number of social responsibilities, serving as the director of the China Container Industry Association, vice secretary general of the National Standardization Technical Committee and member of Shenzhen Political Consultative Committee. Mr. HUANG Tianhua joined the Company in March 1988, and served as an engineer in Shenzhen Southern CIMC Containers Manufacture Co., Ltd. from March 1988 to 1995, the assistant to the general manager of Shanghai CIMC Reefer Container Co., Ltd. from 1995 to 1999, the general manager of Qingdao refrigeration base from 1999 to 2013 and the deputy general manager and executive deputy general manager of CIMC Container (Group) Co., Ltd. from 2012 and 2020.

Mr. YU Yuqun (于玉群), born in 1965, graduated from Beijing University and obtained a bachelor's degree and a master's degree in economics. Mr. YU Yuqun has been a vice president of the Company from 27 March 2018, and is a director of several subsidiaries of the Company. Mr. YU Yuqun has been appointed as an executive director of CIMC Enric Holdings Limited (Hong Kong stock code: 3899) since September 2007 and was re-designated as a non-executive director on 5 September 2016. Mr. YU Yuqun joined the Company in 1992 and subsequently worked as the deputy manager, manager of Financial Affairs Department and manager of the office of secretary to the Board of the Company. Mr. YU Yuqun was the secretary to the Board of the Company from March 2004 to 29 March 2021 and the company secretary from 25 October 2012 to 29 March 2021. Mr. YU Yuqun was a non-executive director of TSC Group Holdings Limited (currently referred as CMIC Ocean En-Tech Holding Co., Ltd., Hong Kong stock code: 00206), CIMC-TianDa Holdings Company Limited and Pteris Global Limited. From July 1987 to October 1989, Mr. YU Yuqun worked in the State Price Control Bureau.

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Mr. ZENG Han (曾邗), born in 1975, a PRC certified public accountant, 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 Han has been the chief financial officer of the Company since March 2020 and vice president and chief financial officer (CFO) of the Company since March 2023, and now also concurrently serves as the chairman or director (and general manager) of certain subsidiaries of the Company and a director of CIMC Vehicles (Shenzhen stock code: 301039) and CIMC Enric (Hong Kong stock code: 3899). Mr. Zeng Han 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 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 Han also held a concurrent post as the manager of financial department of CIMC Enric from 2009 to 2010.

Mr. WU Sanqiang (吳三強), born in 1971, graduated from Peking University and obtained a bachelor's and master's degree in economics, and obtained a doctorate degree in economics from Jilin University. Mr. WU Sanqiang has been the secretary to the Board of the Company since March 2021 and the company secretary since April 2024. Mr. WU Sanqiang joined the Company in November 2002, and he participated in the preparations for the establishment of CIMC's road transportation vehicles business and successively served as the manager of the strategic development department and the marketing management department and the deputy general manager of the marketing company of CIMC Vehicles (Group) Co., Ltd. Mr. WU Sanqiang was transferred to the strategic development department of the Company in 2010, and served as the deputy general manager and the director of mergers and acquisitions, and then worked in the legal department of the Company in 2014. Mr. WU Sanqiang was transferred to the office of the secretary to the Board of the Company, and has served as the director of the office of the secretary to the Board since the end of 2015. Mr. WU Sanqiang has worked in Luoyang Mining Machinery Factory (currently known as CITIC Heavy Industries Co., Ltd.) since July 1992, and in the financial affairs department and financial management department of China Merchants Holdings (Hong Kong) Company Limited since July 1996. In 1997, Mr. WU Sanqiang joined China Merchants Holdings (International) Company Limited, and successively served as the general manager of the transportation infrastructure department, industrial management department, and terminal management department, and then he worked in the corporate management department at the headquarters of China Merchants Group Limited.

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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.

Whether there was any resignation of Directors, Supervisors and dismissal of senior management during the Reporting Period

☐ Yes ☒ No

2. Changes of Directors, Supervisors and Senior Management of the Company

Name	Position	Type	Date	Reason
HUANG Tianhua	Vice president	Appointed	27 March 2024	Re-appointment upon expiry
YU Yuqun	Vice president	Appointed	27 March 2024	Re-appointment upon expiry
WU Sanqiang	Secretary to the Board	Appointed	27 March 2024	Re-appointment upon expiry
	Company secretary	Appointed	10 April 2024	Re-appointment upon expiry
HU Xianfu	Vice-chairman and non-executive Director	Resigned	13 March 2025	Resignation due to changes in assignment
DENG Weidong	Non-executive Director	Resigned	13 March 2025	Resignation due to changes in assignment
MEI Xianzhi	Vice-chairman and non-executive Director	Appointed	13 March 2025	Election
ZHAO Jintao	Non-executive Director	Appointed	13 March 2025	Election

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3. Changes in Shareholdings of Directors, Supervisors and Senior Management

Name	Position	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)	Reason for the movement of shares
MAI Boliang	Chairman, executive Director	890,465 (A Shares)	0	0	0	890,465 (A Shares)	-
HUANG Tianhua	Vice president	810,000 (A Shares)	0	0	0	810,000 (A Shares)	-

On 1 June 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 2019 annual general meeting of the Company (hereinafter referred as to the “**Operation Scheme**”). 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 participants of the Operation Scheme are the core key employees and senior/middle-level management personnel who play an important role in the overall performance and long-term development of the Company, including, among others, MAI Boliang, the Chairman of the Company, GAO Xiang, the president, LI Yinhui, the vice president, HUANG Tianhua, the vice president, YU Yuqun, the vice president, ZENG Han, vice president and Chief Financial Officer (CFO) and WU Sanqiang, the Secretary of the Board. The First Phase of the Trust Plan under the Operation Scheme was funded by RMB200 million with a duration of 5 years. On 19 January 2021, the Company completed the purchase of Shares under the First Phase of the Trust Plan and the lock-up period expired on 19 January 2022. As at 31 December 2024, the Partnership under the First Phase of the Trust Plan has purchased 42,254,600 (31 December 2023: 42,254,600) H Shares of the Company cumulatively through the Southbound Stock Connect in the secondary market. On 18 June 2021, as considered and approved at the 16th meeting of the ninth session of the Board of the Company in 2021, the Second Phase of the Trust Plan was established by utilizing the surplus funds of RMB143 million from the bonus balance of the profit-sharing plan with a duration of 5 years in accordance with the Operation Scheme. On 27 September 2021, the Company completed the purchase of Shares under the Second Phase of the Trust Plan, and the lock-up period expired on 27 September 2022. As at 31 December 2024, the Partnership under the Second Phase of the Trust Plan has purchased 16,135,050 (31 December 2023: 16,135,050) H Shares of the Company cumulatively through the Southbound Stock Connect in the secondary market. As at the date of disclosure of this report, both the First Phase of the Trust Plan and the Second Phase of the Trust Plan established by the Company under the Operating Scheme did not make any distribution. During the Reporting Period, the duration of the two phases of trust has been extended. For details, please refer to the announcement of the Company dated 21 November 2024.

During the Reporting Period, save as disclosed above, none of the Directors, Supervisors or Senior Management held shares of the Company.

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4. Interests of Directors, Supervisors and Chief Executives in the Share Capital of the Company and Associated Corporation thereof

As at 31 December 2024, 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 C3 of the Hong Kong Listing Rules, were 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	890,465	A Share

(2) Interest in the Underlying Shares of the Company

As at 31 December 2024, none of the Directors, Supervisors and chief executives of the Company had any interest in the underlying shares of the Company.

(3) Interest in the Associated Corporation of the Company

Name	Name of Corporation	Nature of Interest	Number of shares (shares)
MAI Boliang	CIMC Enric	Beneficial interest	8,260,000 (ordinary shares)

In addition to the above information, as at 31 December 2024, none of the Directors, Supervisors and chief executives of the Company had any interest in the associated corporation of the Company.

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5. 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 “1. Brief Biography of the Directors, Supervisors and Senior Management of the Company” of “V. 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
ZHU Zhiqiang	Shenzhen Capital Group	Director, General Manager, deputy secretary of the Party Committee	February 2021	–	Yes
MEI Xianzhi	China Merchants Industry Holdings Limited	General Manager, member of the Party Committee	June 2022	–	Yes
	Soares Limited	Director	February 2023	–	No
	China Merchants (CIMC) Investment Limited	Director	January 2023	–	No
SUN Huirong	Shenzhen Capital Group	Supervisor and Director of Finance Management Department	September 2022, April 2024	–	Yes
ZHAO Jintao	China Merchants Group	Deputy director of Strategic Development Department	April 2024	–	Yes
SHI Lan	Shenzhen Capital Group	Deputy general manager	August 2020	–	Yes
	Shenzhen Capital (Hong Kong)	Director	September 2020	–	No
LIN Changsen	China Merchants Industry Holdings Company Limited	Deputy finance director	January 2024	–	Yes
	Soares Limited	Director	February 2023	–	No

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(2) Job Status in Other Companies

Name	Name of other companies	Position in other companies	Start of term of office	End of term of office	With compensation allowance from other companies or not
MAI Boliang	Shenzhen CIMC Industry & City Development Group Co., Ltd.	Chairman	November 2010	–	No
ZHU Zhiqiang	Shenzhen Capital Group Co., Ltd.	Director	April 2021	–	No
	Shenzhen Financial Leasing (Group) Co., Ltd.	Chairman	January 2022	January 2024	No
	Shenzhen Huijin Intelligent Industry Co., Ltd.	Chairman	December 2023	April 2024	No
MEI Xianzhi	CM Energy Tech Co., Ltd.	Chairman	July 2023	–	No
	China Merchants New Material Technology (Chongqing) Co., Ltd.	Chairman	November 2022	–	No
	China Merchants Industry Digital Technology (Jiangsu) Co., Ltd.	Chairman	August 2023	–	No
	China Merchants Offshore Engineering Investment Shenzhen Co., Ltd.	Director	January 2023	–	No
	Nantong Zhaohai Real Estate Development Co., Ltd.	Director	April 2022	–	No
SUN Huirong	Shenzhen Newccess Industrial Co., Ltd. (深圳市柳鑫實業股份有限公司)	Director	December 2020	August 2024	No
	China Science and Technology Development Co., Ltd.	Supervisor	June 2020	July 2024	No
	Ganneng Investment Management Co. Ltd.	Director	September 2021	July 2024	No
	ARTRON ART (Group) Co., Ltd.	Director	October 2022	June 2024	No
	S.E.C Zhuhai Hongwan Power Co., Ltd.	Director	July 2021	October 2024	No
	Shenzhen Institute of Building Research Co., Ltd.	Director	November 2021	July 2024	No
	Shenzhen Yilian Digital Technology Co., Ltd.	Chairman of Supervisory Committee	August 2022	July 2024	No

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Name	Name of other companies	Position in other companies	Start of term of office	End of term of office	With compensation allowance from other companies or not
	Shenzhen Wantong Post and Telecommunications Technology Co., Ltd.	Chairman of Supervisory Committee	August 2022	July 2024	No
	Shenzhen Jingcheng Communication Technology Co., Ltd.	Chairman of Supervisory Committee	August 2022	July 2024	No
	Hunan Kairuisi New Material Technology Co., Ltd. (湖南凱睿思新材料科技有限公司)	Director	March 2022	July 2024	No
	Anhui Wantong Posts and Telecommunication Company Limited	Chairman of Supervisory Committee	August 2022	July 2024	No
	Shanghai ZXELINK Co., Ltd.	Chairman of Supervisory Committee	August 2022	July 2024	No
	Xi'an Zhongxing Jing Cheng Communication Company Limited	Chairman of Supervisory Committee	August 2022	July 2024	No
	Shenzhen Kaihong Digital Industry Development Co., Ltd.	Director	December 2021	December 2024	No
	Shenzhen Nanshan Power Co., Ltd.	Director	April 2021	June 2024	No
	Shenzhen Huijin Intelligent Industry Co., Ltd.	Chairman of Supervisory Committee	October 2022	–	No
	Qianhai Reinsurance Co., Ltd.	Director	January 2022	–	No
	Shenzhen HTI Group Co., Ltd.	Director	May 2022	–	No
	Shenzhen Zhenye (Group) Co., Ltd.	Director	November 2022	–	No
	Shenzhen MTC Co., Ltd.	Director	November 2022	December 2024	No
	Shenzhen Yuanzhi Joint Investment Co., Ltd. (深圳市遠致聯投有限公司)	Executive director, general manager	February 2023	–	No
	China Resources SZITIC Investment Co. Ltd. (華潤深國投投資有限公司)	Director, general manager	November 2024	–	Yes
	Shenzhen Runxin Equity Investment Fund Management Co., Ltd. (深圳潤信股權投資基金管理有限公司)	Chairman	November 2024	–	No

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Name	Name of other companies	Position in other companies	Start of term of office	End of term of office	With compensation allowance from other companies or not
ZHAO Feng	Shandong Gold Mining Co., Ltd.	Independent director	December 2020	–	Yes
	China Longyuan Power Group Corporation Limited	Independent director	November 2021	–	Yes
	Xiamen International Bank Co., Ltd.	Independent director	December 2021	–	Yes
LUI FUNG Mei Yee, Mabel	Withers	Senior executive consultant	July 2017	–	Yes
	Magnificent Hotel Investments Limited	Director	Current	–	Yes
	Shun Ho Property Investments Limited	Director	Current	–	Yes
ZHANG Guanghua	Shun Ho Holdings Limited	Director	Current	–	Yes
	Bank of Beijing Co., Ltd.	Independent director	December 2018	–	Yes
	Focus Media Information Technology Co. Ltd.	Independent director	November 2021	–	Yes
	Hexa Asset Management Co., Ltd.	Independent director	May 2021	October 2024	Yes
	Susall Wave Digital Technology (Shenzhen) Co., Ltd.	Supervisor	July 2022	–	No
YANG Xiong	YOU + BANK Co., Ltd.	Independent director	July 2024	–	Yes
	Guizhou Qilin Investment Co., Ltd.	Executive director	August 2008	April 2024	No
	Guizhou Tongfang Hongxiang Mining Investment Co., Ltd. (貴州同方弘翔礦業投資有限公司)	Supervisor	August 2018	April 2024	No
	Beijing Dehao International Certified Public Accountants (Special General Partnership)	Legal representative, senior partner	November 2023	–	Yes
	Kingfa Sci. & Tech. Co., Ltd.	Independent director	January 2021	–	Yes
	JSTI Group Co., Ltd.	Independent director	September 2021	–	Yes
	Bank of Guiyang Co., Ltd.	Independent director	July 2017	February 2024	Yes
	Guiyang Tianheng Accounting Consulting Service Co., Ltd.	Legal representative, executive director, general manager	August 2001	–	No

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Name	Name of other companies	Position in other companies	Start of term of office	End of term of office	With compensation allowance from other companies or not
SHI Lan	Shenzhen Kaihong Digital Industry Development Co., Ltd.	Chairman of Supervisory Committee	August 2021	July 2024	No
	Shenzhen Yixin Technology Investment Co., Ltd.	General Manager, executive director	November 2020	–	No
	Shenzhen National Fintech Testing & Assessment Centre Co., Ltd.	Director	December 2020	–	No
	Shenzhen Zhenye (Group) Co., Ltd.	Director	May 2022	–	No
	Shenzhen Yuanzhi Venture Capital Co., Ltd.	Chairman, general manager	February 2022, July 2023	–	No
	Shenzhen Financial Leasing (Group) Co., Ltd.	Chairman of Supervisory Committee	January 2022	–	No
	Wanho Securities Co., Ltd.	Chairman of Supervisory Committee	March 2020	–	No
	Shenzhen Gas Corporation Ltd.	Director	November 2023	–	No
	SDIC Capital Co., Ltd.	Director	December 2023	–	No
	Shenzhen Capital Group Co., Ltd.	Supervisor	December 2023	–	No
Lin Changsen	China Merchants Cruise Shipbuilding Co., Ltd.	Director	July 2022	–	No
	China Merchants Jinling Shipyard (Nanjing) Co., Ltd. (招商局金陵船舶(南京)有限公司)	Director	June 2022	–	No
	Yiu Lian Dockyards (Shandong) Co., Ltd. (友聯修船(山東)有限公司)	Director	June 2022	–	No
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Chairman	May 2022	–	No
	China Merchants Jinling Shipyard (Weihai) Co., Ltd. (招商局金陵船舶(威海)有限公司)	Director	April 2022	–	No
	China Merchants Jinling Dingheng Shipping (Yangzhou) Co., Ltd. (招商局金陵鼎衡船舶(揚州)有限公司)	Director	April 2022	–	No

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Name	Name of other companies	Position in other companies	Start of term of office	End of term of office	With compensation allowance from other companies or not
	China Merchants Jinling Shipping (Jiangsu) Co., Ltd. (招商局金陵船舶(江蘇)有限公司)	Director	April 2022	–	No
	China Merchants Marine Equipment Research Institute Co., Ltd.	Supervisor	April 2021	–	No
	China Merchants Deepwater Equipment Research Institute (Sanya) Co., Ltd. (招商局深海裝備研究院(三亞)有限公司)	Supervisor	April 2021	–	No
	FINE PERFECTION INVESTMENT LIMITED	Director	February 2021	–	No
	China Merchants New Material Technology (Chongqing) Co., Ltd.	Supervisor	January 2021	–	No
	China Merchants Industry Science and Technology Development (Shenzhen) Co., Ltd. (招商工業科技發展(深圳)有限公司)	Supervisor	March 2020	–	No
	Wing Hing Shipping (Shanghai) Co., Ltd. (永興船舶(上海)有限公司)	Supervisor	February 2020	–	No
	China Merchants Heavy Industry (Shenzhen) Co., Ltd. (招商局重工(深圳)有限公司)	Director	August 2017	–	No
	Yiu Lian Dockyards (zhoushan) Limited	Director	April 2022	–	No
	China Merchants Offshore Engineering Investment Shenzhen Co., Ltd.	Director	January 2023	–	No
	China Merchants Development Co., Ltd. (招商局發展有限公司)	Director	January 2023	–	No
	China Merchants Industrial Investment Co., Ltd. (招商局工業投資有限公司)	Director	January 2023	–	No
	Yiu Lian Dockyards (Shekou) Limited	Director	September 2017	–	No

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Name	Name of other companies	Position in other companies	Start of term of office	End of term of office	With compensation allowance from other companies or not
HUANG Tianhua	Hongjing Zhiye (Beijing) Multimodal Transport Consulting Co., Ltd.	Chairman	August 2021	–	No
	Shenzhen CIMC Industry & City Development Group Co., Ltd.	Director	September 2018	–	No
YU Yuqun	Beijing Longtian Cultural Development Co., Ltd. (北京龍田文化發展有限公司)	Director	January 2004	–	No
	Shenzhen Financial Leasing (Group) Co., Ltd.	Vice Chairman	January 2022	–	No
	CIMC Xinde Leasing (Shenzhen) Co., Ltd.	Director	April 2018	August 2024	No
	IMEIK Technology Development Co., Ltd.	Independent director	November 2022	–	Yes
ZENG Han	Shenzhen Financial Leasing (Group) Co., Ltd.	Director	March 2017	–	No
	CIMC Xinde Leasing (Shenzhen) Co., Ltd.	Director	April 2018	August 2024	No
	Shenzhen CIMC Industry & City Development Group Co., Ltd.	Director	July 2017	–	No
WU Sanqiang	CIMC Xinde Leasing (Shenzhen) Co., Ltd.	Director	July 2021	August 2024	No

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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

For details of the 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, please refer to “XII. Penalties and Remedies” of “CHAPTER VII Significant Events” in this report.

6. 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”. 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.

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 director's allowance during the Reporting Period. In addition, independent Directors did not receive other remuneration during the Reporting Period. The staff representative Supervisor 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 (Cash compensation on an accrual basis)	Remuneration received from Shareholders' company or other related parties
MAI Boliang (Note 1)	Chairman, executive Director	Male	65	Current	8,559	No
ZHU Zhiqiang	Vice chairman, non-executive Director	Male	50	Current	–	Yes
HU Xianfu	Vice chairman, non-executive Director	Male	55	Resigned	–	Yes
SUN Huirong	Non-executive Director	Male	41	Current	–	Yes
DENG Weidong	Non-executive Director	Male	57	Resigned	–	Yes
ZHAO Feng	Non-executive Director	Female	55	Current	240	Yes
LUI FUNG Mei Yee, Mabel	Independent non-executive Director	Female	73	Current	240	Yes
ZHANG Guanghua	Independent non-executive Director	Male	67	Current	240	No
YANG Xiong	Independent non-executive Director	Male	58	Current	240	Yes
SHI Lan	Chairman of the Supervisory Committee	Female	51	Current	–	Yes
LIN Changsen	Supervisor	Male	55	Current	–	Yes
MA Tianfei (Note 2)	Supervisor	Male	49	Current	2,097	No
GAO Xiang	President	Male	59	Current	4,542	No
LI Yinhui	Vice president	Male	57	Current	3,106	No
HUANG Tianhua	Vice president	Male	61	Current	3,540	No
YU Yuqun	Vice president	Male	59	Current	3,531	Yes
ZENG Han	Vice president and Chief Financial Officer (CFO)	Male	49	Current	3,066	No
WU Sanqiang	Secretary to the Board, company secretary	Male	54	Current	2,636	No
Total	–	–	–	–	32,037	–

Note 1: In accordance with the Articles of Association, the executive Directors are also the senior management of the Company. As the Chairman and executive Director of the Company, Mr. MAI Boliang has received the remuneration from the Company due to his position of senior management in the Company.

Note 2: Mr. MA Tianfei received remuneration from the Company due to the other position he held at the Company apart from his position as a Supervisor.

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For details of the top five highest paid employees of the Group in 2024, please refer to Note X. 8 to “Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE” in this report.

VI. PERFORMANCE OF DIRECTORS’ DUTIES DURING THE REPORTING PERIOD

1. The duty performance of the Directors during the Reporting Period

For details of the duty performance of the Directors during the Reporting Period, please refer to “II. THE BOARD” under “Part II: Corporate Governance Report (Prepared in accordance with the Requirements of the Hong Kong Listing Rules)” in this chapter.

2. Attendance of the Directors at the Board meetings and general meetings

Please refer to “(III) Board Meeting” of “II. THE BOARD” and “2. Attendance of each Director at general meetings” of “IV. 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 of attendance of the Directors at the Board meetings and general meetings.

3. Directors’ opposition to relevant proposals of the Company

During the Reporting Period, the Directors did not present any opposition to relevant proposals of the Company.

4. Other descriptions to duty performance of the Independent Directors

Nil.

VII. 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 Code of Corporate Governance for Listed Companies, 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.

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(I) During the Reporting Period, the attendance of each member at special board committees:

Name	Number of attendance/Number of meetings to be attended				
	Remuneration and Appraisal Committee meeting	Nomination Committee meeting	Audit Committee meeting	Strategy Committee meeting	Risk Management Committee meeting
MAI Boliang	–	1/1	–	3/3	–
ZHU Zhiqiang	–	1/1	–	3/3	–
HU Xianfu	–	–	–	2/3	–
SUN Huirong	4/4	–	–	–	5/5
DENG Weidong	4/4	–	–	–	5/5
LUI FUNG Mei Yee, Mabel	4/4	1/1	13/13	–	5/5
ZHANG Guanghua	4/4	1/1	13/13	3/3	5/5
YANG Xiong	4/4	1/1	13/13	3/3	5/5

(II) During the Reporting Period, the work of each special board committee is as follows:

	Session of meeting	Date	Resolutions of meeting
Remuneration and Appraisal Committee	The 1st meeting in 2024	27 March 2024	Opinions on the remuneration of Director ZHAO Feng
	The 2nd meeting in 2024	16 May 2024	Opinion on the amendment to the implementation Rules of the Remuneration and Appraisal Committee under the Board of China International Marine Containers (Group) Co., Ltd.
	The 3rd meeting in 2024	17 May 2024	Opinion on the 2023 performance appraisal of personnel appointed by the Board
	The 4th meeting in 2024	6 November 2024	Opinions on the proposal for the payment of 2023 performance wages of personnel appointed by the Board
Nomination Committee	The 1st meeting in 2024	27 March 2024	Opinions on matters concerning the 1st meeting in 2024
Audit Committee	The 1st meeting in 2024	2 February 2024	Opinions on matters concerning the 1st meeting in 2024
	The 2nd meeting in 2024	18 March 2024	No matters to be resolved
	The 3rd meeting in 2024	27 March 2024	Opinions on matters concerning the 3rd meeting in 2024
	The 4th meeting in 2024	29 April 2024	Opinion on the first quarterly financial report in 2024
	The 5th meeting in 2024	29 April 2024	No matters to be resolved
	The 6th meeting in 2024	16 May 2024	Opinion on the amendment to the implementation Rules of the Audit Committee under the Board of China International Marine Containers (Group) Co., Ltd.

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	Session of meeting	Date	Resolutions of meeting
	The 7th meeting in 2024	4 June 2024	Opinions on related matters between CIMC Finance Co., Ltd., CIMC Commercial Factoring Co., Ltd. and Shenzhen CIMC Industry & City Development Group Co., Ltd.
	The 8th meeting in 2024	15 July 2024	Opinion on the policies related to auditors providing non-assurance services of China International Marine Containers (Group) Co., Ltd.
	The 9th meeting in 2024	27 August 2024	Opinions on matters concerning the 9th meeting in 2024
	The 10th meeting in 2024	29 October 2024	Opinion on the third quarterly financial report in 2024
	The 11th meeting in 2024	5 November 2024	No matters to be resolved
	The 12th meeting in 2024	6 December 2024	Opinion on the Continuing Connected Transactions/ Ordinary Related-party Transactions with Sinotrans & CSC Holdings Co., Ltd.
	The 13th meeting in 2024	19 December 2024	Opinion on the signing of the Financial Service Framework Agreement by CIMC Finance Co., Ltd. and Shenzhen Financial Leasing (Group) Co., Ltd.
Strategy Committee	The 1st meeting in 2024 of the 10th session	27 March 2024	Opinions on matters concerning the 1st meeting in 2024
	The 2nd meeting in 2024 of the 10th session	28 August 2024	No matters to be resolved
	The 3rd meeting in 2024 of the 10th session	19 December 2024	Opinion on the List of Material ESG Issues and Statement of the Board on Key Issues for 2024
Risk Management Committee	The 1st meeting in 2024	27 March 2024	Opinion on the 2023 Annual Self-assessment Report on Internal Control of China International Marine Containers (Group) Co., Ltd.
	The 2nd meeting in 2024	29 April 2024	No matters to be resolved
	The 3rd meeting in 2024	27 August 2024	No matters to be resolved
	The 4th meeting in 2024	5 November 2024	No matters to be resolved
	The 5th meeting in 2024	19 December 2024	No matters to be resolved

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(III) 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 include to study and formulate the appraisal standards for directors and senior management, conduct such appraisal and make recommendations; to make recommendations to the Board on the remuneration policy and structure for all directors and senior management and on the establishment of formal and transparent procedures for developing such remuneration policy; to formulate the equity incentive plans in accordance with the requirements of relevant laws, regulations or regulatory documents; to be responsible for considering and/or approving the administration of equity plans and matters relating to share schemes as described under Chapter 17 of the Hong Kong Listing Rules; and other matters authorized by the Board of Directors as well as other powers conferred by the laws, regulations, relevant regulatory rules in the jurisdictions where the shares of the Company are listed, the rules of procedures for the Board of the Company, terms of reference of the Remuneration and Appraisal Committee and the Board.

2. Members of the Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee comprises five Directors, including three independent non-executive Directors and two non-executive Directors. As at the end of the Reporting Period, members include chairman, namely, Mr. ZHANG Guanghua and members, namely, Ms. LUI FUNG Mei Yee, Mabel, Mr. YANG Xiong, Mr. SUN Huirong and Mr. DENG Weidong.

3. 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. The model stipulated in Appendix C1 of the Hong Kong Listing Rules is adopted for the procedures that determine the remuneration.

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(IV) Nomination Committee

1. Duties and responsibilities of the Nomination Committee

The main duties and responsibilities of the Nomination Committee are: (1) to develop criteria and procedures for the selection of Directors and senior management, and to offer advice in this regard; (2) to select qualified Director candidates and senior management candidates; (3) to review the selection of Director candidates and senior management candidates and offer advice in this regard; and (4) to deal with other matters prescribed by the laws, regulations, relevant regulatory rules in the jurisdictions where the shares of the Company are listed, the Articles of Association, the Implementation Rules of the Nomination Committee of the Company and authorized by the Board of Directors.

2. Members of the Nomination Committee

The Nomination Committee comprises five Directors, including three independent non-executive Directors, one executive Director and one non-executive Director. Members include chairman, namely, Ms. LUI FUNG Mei Yee, Mabel and members, namely, Mr. MAI Boliang, Mr. ZHU Zhiqiang, Mr. ZHANG Guanghua and Mr. YANG Xiong.

3. Procedures and criteria of nomination of Directors

Pursuant to the Articles of Association, election and replacement of Directors shall be proposed to a general meeting for approval. 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, specify the selection criteria, including but not limited to, taking into consideration the qualifications, skills, perspectives, independence, gender diversity and experiences of the new Directors in accordance with the diversity policies, 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.

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(V) Audit Committee

1. Duties and responsibilities of the Audit Committee

The main duties and responsibilities of the Audit Committee include: (1) to monitor and assess the performance of the external auditing job and to make proposals regarding the appointment or replacement of the external auditor; (2) to monitor and assess the performance of the internal auditing job, to supervise the internal audit system of the Company and its implementation; (3) to be responsible for the coordination between the external auditing and the internal auditing; (4) to examine the financial information of the Company and the disclosure thereof; (5) to monitor and assess the internal control of the Company; (6) matters relating to laws and regulations, regulations of the place where the Company's shares are listed, these Articles of Association, implementing regulations of the Audit Committee of the Board of Directors of the Company and other matters authorized by the Board of Directors.

2. Members of the Audit Committee

The Audit Committee comprises three independent non-executive Directors. Members include, chairman, namely, Mr. YANG Xiong and members, namely, Ms. LUI FUNG Mei Yee, Mabel and Mr. ZHANG Guanghua.

(VI) 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 the Strategy Committee comprise one executive Director, two non-executive Directors and two independent non-executive Directors. As at the end of the Reporting Period, members include chairman, namely, Mr. MAI Boliang, and members, namely, Mr. ZHU Zhiqiang, Mr. HU Xianfu, Mr. ZHANG Guanghua and Mr. YANG Xiong.

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.

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(VII) 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

During the Reporting Period, the Risk Management Committee comprised two non-executive Directors and three independent non-executive Directors. As at the end of the Reporting Period, members include chairman, namely, Mr. SUN Huirong, and members, namely, Mr. DENG Weidong, Ms. LUI FUNG Mei Yee, Mabel, Mr. ZHANG Guanghua and Mr. YANG Xiong.

VIII. 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.

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IX. PROFIT DISTRIBUTION AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES OF THE COMPANY

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

☒Applicable ☐Not Applicable

The Company has adopted a stable dividend distribution policy. At present, the Company distributes dividend to Shareholders once a year, namely the final dividend, and commits that the total profit distributed in the form of cash dividend for the consecutive three years from 2022 to 2024 shall not be less than 30% of the average annual distributable profit of the Company in the 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 has been in strict compliance with the Articles of Association and relevant regulatory requirements over the years for its decision-making on dividend distribution. The Company strives to achieve outstanding operating results and deliver a good return for its Shareholders. The profit distribution plan for 2023 of the Company had been considered and approved at the 2023 annual general meeting held on 26 June 2024, which is a cash dividend of RMB0.022 (tax inclusive) per share to all the shareholders on the basis of 5,367,874,835 shares, which is calculated by deducting 24,645,550 repurchased shares from 5,392,520,385 shares, the total share capital of the Company as at 31 December 2023, and there will be no bonus shares or new shares being issued by way of conversion of capital reserve. On 16 August 2024, the Company implemented the above-mentioned profit distribution plan for 2023.

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.

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2. 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

3. Description of profit distribution and share capital increase by way of transfer from capital reserve during the Reporting Period

☒ Applicable ☐ Not Applicable

Number of bonus shares for every 1 share (share)	–
Dividend for every 1 share (RMB) (including tax)	0.176
Number of shares converted for every 1 share (share)	–
Basis of share capital of distribution plan (share)	5,367,874,835
Amount of cash dividend (RMB thousand) (including tax)	944,746
Amount of cash dividend in other ways (i.e. share repurchase) (RMB thousand)	200,098
Cash dividend in total (including amount in other ways) (RMB thousand) (including tax)	1,144,844
Distributable profit (RMB thousand)	2,864,898
% of cash dividend in total (including amount in other ways) to total 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 2024 operating results and taking into account the Group's overall financial position and cash flows, the proposed profit distribution plan for 2024 of the Company as considered and approved by the Board Meeting is a cash dividend of RMB0.176 (tax inclusive) per share to all the shareholders on the basis of 5,367,874,835 shares, which is calculated by deducting 24,645,550 repurchased shares from 5,392,520,385 shares, the total share capital of the Company as at 31 December 2024, and there will be no bonus shares or new shares being issued by way of conversion of capital reserve. Where there are any changes in the share capital of the Company after the Board considered the profit distribution plan until implementation of the plan, the dividend per share would be adjusted according to the principle that the total amount of the distribution remains unchanged. The proposed dividend is expected to be payable on or around 18 August 2025. Such proposed dividend payment for the year 2024 is subject to the consideration and approval at the general meeting of the Company.

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X. IMPLEMENTATION OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES

1. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or other employee incentive measures

The Core Employee Stock Ownership Scheme of the Company

On 28 June 2022, as approved at the 2021 annual general meeting of the Company, it was agreed that the "Core Employee Stock Ownership Scheme" (hereinafter referred to as the "**Stock Ownership Scheme**") is to be established with the legal remuneration and bonus amounts of the employees for the bonus drawn by the Company under the profit sharing scheme and the operation plan of purchasing A shares of the Company in the secondary market or transferring A shares repurchased by the Company is to be implemented; and it was also agreed that the "Core Employee Stock Ownership Scheme of China International Marine Containers (Group) Co., Ltd." (hereinafter referred to as the "**Scheme**") is to be formulated in accordance with the aforesaid operation plan. The duration of the Scheme is ten years, commencing from the date on which the Scheme is considered and approved at the shareholders' general meeting of the Company. The lock-up period of the A shares of CIMC purchased in the secondary market by Tranches of Stock Ownership Schemes under the Scheme or transferred from those repurchased by the Company is 12 months, and no trading can be conducted during the lock-up period.

(1) Purpose of the Core Employee Stock Ownership Scheme

By implementing the Scheme, the Company will further improve the modern corporate governance system, stimulate employees' sense of mission and responsibility, and guide employees to operate steadily, which is conducive to promoting the long-term, sustainable and healthy development of the Company, and boosting the confidence of the capital market in the Company.

(2) Participants and Shareholding Limit

The Participants of the Stock Ownership Scheme include senior management appointed by the Board of the Company, some members of the executive committee of the Company (excluding general managers of subsidiaries), and heads of functional departments at the Company's headquarters, etc. The funds of the Scheme come from the legal salary and bonus amount of the Participants under the Company's Bonus of Profit Sharing Plan, and there is no situation where the Company provides financial assistance or guarantees to the Participants. The total number of shares of the Company held by each subsisted Stock Ownership Scheme under the Scheme shall not, in aggregate, exceed 10% of the Company's total share capital and the total number of shares corresponding to shareholding interests obtained by individual Participant shall not, in aggregate, exceed 1% of the Company's total share capital.

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(3) Allocation of Interests

When Tranches of the Stock Ownership Schemes under the Scheme are established, the shareholding interests that can be enjoyed by the Participants of the Stock Ownership Scheme shall be determined by the legal salary and bonus amount of them under the Bonus of Profit Sharing Plan. Upon the expiration of the lock-up period of the Company's shares held by the Tranches of Stock Ownership Schemes, the Stock Ownership Scheme may, on the premise that it complies with laws and regulations and the relevant provisions of the Scheme, transfer A shares of the Company held by the Stock Ownership Scheme to the Participant's stock accounts through non-trading transfer, or sell the A Shares of the Company held by the Stock Ownership Scheme in the secondary market and distribute the proceeds to the Participants, or other legal means, according to the instructions of the Participants' Meeting Council.

(4) Progress of the Core Employee Stock Ownership Scheme

As at the disclosure date of this Report, the Company has not yet implemented any phase of the Core Employee Stock Ownership Scheme.

As the Core Employee Stock Ownership Scheme of the Company is an operation plan to purchase A shares in the secondary market or transfer A shares repurchased by the Company which does not involve the issuance of any new Shares of the Company, there were no shares available for issue or treasury shares involved as at the date of this Report.

2. Implementation of the Share Option Incentive Scheme, Employee Stock Ownership Scheme or other employee incentive measures by the Company's subsidiaries

There are no share schemes of major subsidiaries of the Company that are required to be disclosed under Chapter 17 of the Hong Kong Listing Rules.

For details of implementation of share option incentive scheme, employee stock ownership scheme or other employee incentive measures of other subsidiaries of the Company, please refer to Note XI of "Chapter X Financial Statements and Audit Report Prepared in accordance with CASBE" in this Report.

3. Options granted to Directors, Supervisors and senior management during the Reporting Period

There were no options under any stock ownership schemes granted to Directors, Supervisors and senior management of the Company during the Reporting Period.

4. Appraisal and incentives of senior management

In order to promote the Company's development in a standardized 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.

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XI. DEVELOPMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

1. Development and implementation of internal control system

The Company has continued to implement full coverage of internal control system development for new enterprises that have been acquired or established for one year in accordance with the Basic Standard for Business Internal Control, the Guidelines on Application of Business Internal Control and other requirements. The Company's business cycle incorporated into the internal control system includes the 18 application modules stipulated in the Basic Standard for Business Internal Control such as production and operation, financial management, organisation, personnel management, ESG, and the management of subsidiaries, related party transactions and information disclosure. Based on different business characteristics, targeted internal control templates were developed and internal control self-assessments were conducted for key risky businesses.

In 2024, the Company concentrated its internal control efforts in the following aspects: 1. in line with external regulatory requirements, relevant laws and regulations, and the Company's internal control priorities, the Company has issued the Notice on Further Implementing Key Risk Control Requirements to enhance the communication of external regulatory and internal risk control requirements, and to intensify inspections and dynamic management of critical risk areas; 2. the Company continued to advance the digital transformation and upgrade of risk control processes. A pilot project was launched to build a digital risk control platform to explore the development of an intelligent risk control platform based on a risk rule, facilitated the gradual shift of risk supervision from "manual prevention and manual control" to "technological prevention and technological control"; 3. the Company has developed a risk control training course for general managers and has conducted three sessions of on-site training, continued to foster an organisational culture that emphasises "knowing the red line and guarding the bottom line". As at the date of this Report, the Company's internal control mechanism is operating effectively.

2. 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 2024), 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 nonfinancial reporting, as at the baseline date of the internal controls assessment report (31 December 2024), the Company has not found any significant deficiency in internal controls over non-financial reporting.

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XII. MANAGEMENT AND CONTROL OVER SUBSIDIARIES BY THE COMPANY DURING THE REPORTING PERIOD

1. The Company shall disclose the management and control over its subsidiaries during the Reporting Period:

In order to ensure the achievement of its overall business objectives and to reduce operational risks, the Company, in addition to exercising control over its subsidiaries through equity control relationships, has also developed a set of management systems that meet the requirements of the Group's corporate governance and diversified development through the hierarchical management model comprising the Executive Committee of the Group, the Special Committees of the Group, and the board of directors of its controlling subsidiaries, such as the Strategic Planning Management System, the Investment Management System, the Business Plan Management System, Management Reporting System, Audit Management of Internal Control, Management System of Core Executives and Management Measures of Performance Contracts, etc. to regulate and control the controlling subsidiaries in terms of business plan, financial budget, investment and capital management, risk control, core personnel and performance assessment, forming a closed loop of 5S+HR management system. At the same time, the Company has strengthened its ability to manage the operations of the board of directors of its subsidiaries and the ability to dispatch directors and supervisors of subsidiaries, and has formulated the Guidelines for Duty Performance by Directors and Supervisors Dispatched to clarify the roles and responsibilities of the directors and supervisors dispatched in various matters of the board of directors of its subsidiaries, so as to effectively strengthen the management compliance of its subsidiaries and prevent risks.

2. Content below shall be disclosed in case of increase of subsidiaries arising from acquisition during the Reporting Period:

Company Name	Integration Plan	Progress in Integration	Problems Encountered In integration	Solution Measures Taken	Progress in Solution	Subsequent Solution Plan
Shanghai CIMC Tongchuang Steel Processing Co., Ltd.	The plan involves acquiring 100% equity interests of the target company through CIMC Tongchuang, and gradually integrating the Company's business and personnel into CIMC's management system and framework by appointing directors, etc.	Merger and acquisition has been completed	No	No	No	No

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Company Name	Integration Plan	Progress in Integration	Problems Encountered In integration	Solution Measures Taken	Progress in Solution	Subsequent Solution Plan
Bangkok Coil Center Co., Ltd.	The plan involves acquiring 90% equity interests of the target company through CIMC Tongchuang, and gradually integrating the Company's business and personnel into CIMC's management system and framework by appointing directors and general managers, etc.	Merger and acquisition has been completed	No	No	No	No
Hubei CIMC Superfiber Technology Co., Ltd.	Completing the acquisition of the target company, and integrating the Company's business and personnel into CIMC's management system.	Merger and acquisition has been completed	No	No	No	No

XIII. ASSESSMENT REPORT ON INTERNAL CONTROL OR AUDIT REPORT ON INTERNAL CONTROL

1. Assessment report on internal control

Disclosure date of full text of internal control assessment report	27 March 2025
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	92%
Proportion of revenue of the units incorporated in the assessment scope in the Company's revenue in the consolidated financial statements	92%

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Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
Qualitative benchmark	<p>Significant deficiency:</p> <ol style="list-style-type: none"> 1. Discovery of acts of irregularity by Directors, Supervisors or the management that caused significant impacts on financial reporting; 2. Amendment to published financial statements to reflect correction to significant reporting errors due to mistakes or irregularities; 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; 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; 5. Ineffective monitoring on internal controls by the Audit Committee and the internal auditing unit. 	<p>Significant deficiency:</p> <ol style="list-style-type: none"> 1. The assessed entity's business activities are in serious violation of the laws and regulations of the State; 2. Non-compliance in major decision making, substantive matters, appointment and dismissal of key personnel, as well as the decision processes for large sum of payments. <p>Important deficiency:</p> <ol style="list-style-type: none"> 1. Important deficiencies remain unrectified after being reported to the management and after lapse of a reasonable period; 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. <p>General deficiency:</p> <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>

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Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
	Important 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 nonsystematic 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. 	
	General deficiency:	
	<p>Penalty sanctions by provincial (inclusive) or lower level government authorities, which have not impacted negatively on the Company's regular reporting disclosure.</p>	

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Category	Deficiency identification criteria	
	Financial reporting	Non-financial reporting
Quantitative benchmark	(The erroneously reported amounts X in financial statement falls between the following range)	Significant deficiency:
	Significant deficiency:	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;
	1. $X \geq 0.5\%$ of total sales revenues;	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.
	2. $X \geq 5\%$ of total profits;	
	3. $X \geq 1\%$ of total assets;	
	4. $X \geq 1\%$ of total stakeholders' interests.	
	Important deficiency:	Important deficiency:
	1. 0.1% of total sales revenues $\leq X < 0.5\%$ of total sales revenues;	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. 1% of total profits $\leq X < 5\%$ of total profits;	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.
	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.	
	General deficiency:	
	1. $X < 0.1\%$ of total sales revenues;	General deficiency:
	2. $X < 1\%$ of total profits;	
	3. $X < 0.2\%$ of total assets;	
	4. $X < 0.2\%$ of total stakeholders' interests.	
		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. 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.

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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

2. 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 2024.

Disclosure of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	27 March 2025
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	No

Whether the accounting firm issues internal control audit report of non-standard views

☐ Yes ☒ No

Whether the internal control audit report issued by accounting firm is consistent with the self-assessment report of the Board

☒ Yes ☐ No

XIV. RECTIFICATION OF FINDINGS IN SELF-INSPECTION OF SPECIAL INITIATIVES FOR CORPORATE GOVERNANCE OF LISTED ISSUERS

The corporate governance as a whole meets the requirements and there are no significant issues that need to be rectified.

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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 Part II of Appendix C1 of the Hong Kong Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 during the Reporting Period, except for deviation of code provision C.5.1 under the Corporate Governance Code. The details of deviation from the code provisions of Corporate Governance Code and its considerations are disclosed in relevant paragraphs below.

I. 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 C3 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.

II. THE BOARD

(I) 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.

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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 convening general meetings and reporting to the meetings; implementing the resolutions passed at general meetings; determining the Company's business plans and investment schemes; preparing the Company's annual financial budget and final accounts; formulating the Company's profit distribution plan and loss recovery plan and exercising 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.

(II) Composition of the Board and Policy of Diversity

(I) Composition of the Board

During the Reporting Period, according to the Articles of Association, the tenth session of the Board has set nine seats, and the existing Directors thereof are nine. The Board comprises Mr. MAI Boliang (Chairman) as an executive Director; Mr. ZHU Zhiqiang (Vice-chairman), Mr. HU Xianfu (Vice-chairman), Mr. SUN Huirong, Mr. DENG Weidong and Ms. ZHAO Feng as non-executive Directors; and Ms. LUI FUNG Mei Yee, Mabel, Mr. ZHANG Guanghua and Mr. YANG Xiong as independent non-executive Directors.

Among the existing Directors, all of the nine Directors have vast and extensive experience in business and management. In particular, the three independent non-executive Directors also own profound academic and professional qualifications and rich industry experience in finance, legal and management. Especially, independent non-executive Director Ms. LUI FUNG Mei Yee, Mabel has appropriate legal affairs expertise, independent non-executive Director Mr. ZHANG Guanghua has appropriate management expertise, and Mr. YANG Xiong, an independent non-executive Director, has appropriate accounting and financial 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 "(1) Directors" of "1. Brief Biography of the Directors, Supervisors and Senior Management of the Company" under "V. Directors, Supervisors and Senior Management" in this chapter. 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.

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There are three independent non-executive Directors in the Board of the Company, reaching 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 2024 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.

(2) 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.

In setting members of the Board, the Board and the Nomination Committee will select candidates based on diversified perspectives and measurable goals. The Company currently has two female Directors on the Board; the number of independent non-executive Directors is not less than one third; the executive and non-executive Directors have extensive and abundant experience in business and management; and the independent non-executive Directors have professional qualifications and abundant experience in financial, fiscal, legal and other aspects. For the personal information of all Directors, please refer to "1. Brief Biography of the Directors, Supervisors and Senior Management of the Company" under "V. Directors, Supervisors and Senior Management" under this chapter. The current diversified composition of the Board brings a broad vision and a high level of professional experience to the Board and maintains an independent element within the Board to ensure that the Board is able to effectively make independent judgments and scientific decision when studying and considering material issues. In 2024, the Nomination Committee has reviewed the composition, size and structure of the Board and the Nomination Committee, having considered the business needs of the Company, considered that the current composition of the Board has achieved a landscape of diversity. After review, the Board is of the view that the implementation of the policy on diversity of Board members is feasible and effective.

There is no financial, business, family or other significant/related relationships among the Board members.

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(III) Board Meeting

1. Attendance

Pursuant to the Articles of Association, the Board shall convene at least four meetings each year. In 2024, the Board convened 18 meetings, including 3 on-site meetings and 15 meetings voting by communication ways. The attendance of all Directors to the meetings is as follows:

Name	Position	Number of Board meetings to attend	Board meeting		Number of attendance by proxy	Rate of attendance in person (%)
			Number of attendance in person	Correspondence voting		
MAI Boliang	Chairman, executive Director	18	3	15	0	100
ZHU Zhiqiang	Vice chairman, non-executive Director	18	3	15	0	100
HU Xianfu	Vice chairman, non-executive Director	18	1	10	6	61
SUN Huirong	Non-executive Director	18	2	15	1	94
DENG Weidong	Non-executive Director	18	2	15	1	94
ZHAO Feng	Non-executive Director	18	3	15	0	100
LUI FUNG Mei Yee, Mabel	Independent non-executive Director	18	3	15	0	100
ZHANG Guanghua	Independent non-executive Director	18	3	15	0	100
YANG Xiong	Independent non-executive Director	18	3	15	0	100

During the year, no Director of the Company was absent from the Board meetings or failed to attend Board meetings in person for two consecutive times.

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2. The convening of the Board meetings and the resolutions considered

The Board convened 18 Board meetings during the Reporting Period.

Board Meetings	Date of Board Meetings	Resolutions of Board Meetings
The first meeting in 2024	2 February 2024	1. Resolution on the Related Matters of the First Meeting in 2024; 2. Resolution Regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) and Its Subsidiaries
The second meeting in 2024	11 March 2024	Resolution on the Planning for H Share Buy-back and H Share Voluntary Withdrawal of Listing by CIMC Vehicles (Group) Co., Ltd.
The third meeting in 2024	22 February 2024	Resolution on the Approval of the Proposal for the Convening of the First Extraordinary General Meeting in 2024
The fourth meeting in 2024	12 March 2024	Resolution on Election of the Director to Chair the First Extraordinary General Meeting for 2024
The fifth meeting in 2024	27 March 2024	1. Resolutions on the Fifth Meeting In 2024 ; 2. Resolution on the 2024 Financing Arrangements of CIMC
The sixth meeting in 2024	19 April 2024	1. Resolution on the Acquisition of the Equity Interest in CIMC Finance Co., Ltd. Held by Shenzhen Southern CIMC Containers Manufacture Co., Ltd.; 2. Resolution on the Transfer of Equity Interest in CIMC Technology Co., Ltd.
The seventh meeting in 2024	29 April 2024	Resolution on the First Quarterly Report for 2024
The eighth meeting in 2024	16 May 2024	Resolutions of the Eighth Meeting In 2024 of the Tenth Session of the Board
The ninth meeting in 2024	17 May 2024	Resolution on the 2023 Performance Appraisal of Senior Management

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Board Meetings	Date of Board Meetings	Resolutions of Board Meetings
The tenth meeting in 2024	4 June 2024	<ol style="list-style-type: none"> 1. Resolution Regarding the Related Matters of CIMC Finance Co., Ltd., CIMC Commercial Factoring Co., Ltd. and Shenzhen CIMC Industry & City Development Group Co., Ltd.; 2. Resolutions Regarding the Approval of the Proposal to Convene the Annual General Meeting for 2023, the First A Shareholders' Class Meeting for 2024 and the First H Shareholders' Class Meeting for 2024
The eleventh meeting in 2024	28 August 2024	Resolutions on the Eleventh Meeting In 2024
The twelfth meeting in 2024	28 August 2024	Resolution on the Application for Registration Issuance of Debt Financing Instrument (DFI) of the Association of Financial Market Institutional Investors.
The thirteenth meeting in 2024	28 August 2024	Resolution on the Approval of the Proposal for the Convening of the Second Extraordinary General Meeting in 2024
The fourteenth meeting in 2024	28 August 2024	Resolution on the Third Quarterly Report for 2024
The fifteenth meeting in 2024	6 November 2024	Resolution on the Payment of Performance-based Salaries to Senior Management for 2023
The sixteenth meeting in 2024	11 November 2024	Resolution on Election of the Director to Chair the Second Extraordinary General Meeting for 2024
The seventeenth meeting in 2024	6 December 2024	<ol style="list-style-type: none"> 1. Resolution Regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with Sinotrans & CSC Holdings Co., Ltd. and Its Subsidiaries; 2. Resolution on the Approval of the Proposal for the Convening of the Third Extraordinary General Meeting in 2024
The eighteenth meeting in 2024	19 December 2024	<ol style="list-style-type: none"> 1. Resolution on the Related Matters of the Eighteenth Meeting in 2024; 2. Resolution on the List of ESG Materiality Issues for 2024 and Key Issues of the Board's Statement; 3. Resolution Regarding the Signing of the Financial Service Framework Agreement by CIMC Finance Co., Ltd. and Shenzhen Financial Leasing (Group) Co., Ltd.

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Code provision C.5.1 under the Corporate Governance Code 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”. So, a regular meeting does not include obtaining board consent through circulating written resolutions. During the Reporting Period, the Company held 18 Board meetings, of which 3 meetings were 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 matters 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 future.

(IV) 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 “(I) Authorities of the Board” of “II. 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.

(V) 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 serve the position for more than six years. 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 staff considered and approved at general staff meeting.

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The respective Directors and Supervisors have entered into service contracts with the Company. Upon expiration of their terms of office, the Directors and Supervisors may be re-elected with the consent of both parties for a term of three years each. If the Directors and Supervisors are re-elected, the service contract shall remain in force until terminated by either party by giving one month's prior written notice of termination to the other party. For details of the terms of office of the Directors and Supervisors, please refer to the section headed "1. Brief Biography of the Directors, Supervisors and Senior Management of the Company" under the section headed "V. Directors, Supervisors and Senior Management" under this chapter.

Save as disclosed above, none of the Directors or Supervisors has entered into or intend to enter into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

(VI) Directors' remuneration

Pursuant to the Articles of Association, executive Directors are also the senior management of the Company. Among the nine existing Directors of the tenth session of the Board of the Company, the executive Director Mr. Mai Boliang was paid by the Company due to his position as the senior management. As considered and approved by the general meeting, each of the independent non-executive Directors was entitled to an allowance of RMB240,000 per annum, and Zhao Feng, a non-executive Director, was entitled to a remuneration of RMB240,000 per annum. Other than that, the Company did not provide other remuneration to the independent non-executive Directors and other non-executive Directors during the Reporting Period. Details of remuneration paid to the Directors by the Company during this year are listed in "6. Remuneration of Directors, Supervisors and Senior Management" of "V. Information on Directors, Supervisors and Senior Management" under "Chapter V Corporate Governance" herein. 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 "(III) Remuneration and Appraisal Committee" of "VII. Duty Performance of Special Committees of the Board during the Reporting Period" under "Part I: Corporate Governance (Prepared in Accordance with PRC Securities Regulatory Requirements)" 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).

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(VII) 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, has served as the chairman, the general manager of China Merchants Industry Holdings Company Limited during the Reporting Period. Mr. DENG Weidong, a non-executive Director of the Company, has served as the chief strategy officer and the director of the strategic development department/technology innovation department of China Merchants Group during the Reporting Period; and has served as the director and the general manager of China Merchants Innovation and Technology (Group) Co., Ltd. since March 2024. Mr. LIN Changsen, a Supervisor of the Company, served as the director of Soares Limited and the deputy financial director of China Merchants Industry Holdings Company Limited. Soares 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.

Save as disclosed above, none of other Directors or Supervisors or entities connected with such Directors/Supervisors hold or held any interests in a business that competes or may compete directly or indirectly with the business of the Group.

(VIII) 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 chief financial officer, general manager of the auditing monitoring department and the auditors of the Company.

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2. The Directors of the Company made sure of continuous professional development and update of their knowledge and skills by reading materials and attending online training, in an effort to better perform their duties. In 2024, all our Directors, i.e. MAI Boliang (Chairman) as an executive Director; ZHU Zhiqiang (Vice-chairman), HU Xianfu (Vice-chairman), SUN Huirong, DENG Weidong and ZHAO Feng as non-executive Directors; LUI FUNG Mei Yee, Mabel, ZHANG Guanghua, and YANG Xiong as independent non-executive Directors, participated through internet or by written means in the training for directors and supervisors of listed companies organized by Shenzhen Public Companies Association, China Association for Public Companies and Shenzhen Securities Regulatory Bureau, etc. During the year, the Directors attended trainings provided by Ernst & Young on the new sustainability (ESG) regulations.
3. The Company shall engage auditors, independent financial advisers (if any), lawyers and other relevant independent professionals for independent professional advice as required when considering and 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. The Company has established a mechanism whereby each director and supervisor is entitled to seek independent professional advice, at the Company's expense, on any matter relating to the performance of his or her duties, so as to ensure that the Board of Directors and the Supervisory Committee can obtain independent views and opinions.
5. The Company has taken out liability insurance for its directors, supervisors and senior management to protect them from possible legal risks in the performance of their duties.

(IX) 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 provisions, 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 C1 of the Hong Kong Listing Rules and the disclosure in the Corporate Governance Report.

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III. 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. For particulars about the special committees of the Board during the Reporting Period, please refer to “VII. Duty Performance of Special Committees of the Board during the Reporting Period” of “Part I: Corporate Governance (Prepared in Accordance with PRC Securities Regulatory Requirements)” under this chapter.

IV. SHAREHOLDERS AND GENERAL MEETINGS

1. Shareholders' right

(1) Procedures for proposing to convene an extraordinary general meeting and for submitting proposals thereat

Pursuant to the Articles of Association, Two or more Shareholders individually or jointly holding a total of 10% or more of the shares of the Company may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. If the Board agrees to hold the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution is made by the Board. Changes made to the original proposal shall be approved by the original proposer. If the Board disagrees with the proposal of convening an extraordinary general meeting requested by such Shareholders, or fails to respond within ten days upon receipt of such request, the Shareholder(s) individually or jointly holding a total of 10% or more of the shares of the Company is (are) entitled to make written request to the Supervisory Committee for convening such extraordinary general meeting. If the Supervisory Committee agrees to convene such meeting, a notice of such meeting shall be issued within five days upon receipt of the proposal. Changes made to the original request shall be approved by the relevant Shareholders. 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 convening a general meeting shall be borne by the Company and shall be deducted from the remuneration payable by the Company to the negligent Director(s).

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(2) Submit proposals to general meetings

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 convenor 10 days prior to a general meeting to be convened by the Company.

(3) Convene an extraordinary board meeting

In case of proposing to convene an extraordinary board meeting by the Shareholder(s) representing more than ten percent of the voting right, the Board shall convene and chair such extraordinary board meeting within 10 days upon receipt of such proposal.

(4) Make inquiry with the Company

Shareholders of the Company shall have the right to obtain relevant information in accordance with the provisions of the Articles of Association, including: if a Shareholder requests access to the relevant information or request such information as referred to in the preceding Article, he or she shall provide the Company with written documents proving the class of shares he or she holds in the Company and the number of such shares, and the Company shall provide the same to the Shareholder upon request after verifying his or her identity.

(5) Safeguard the exercise of shareholders' rights

In order to ensure that all Shareholders of the Company are treated equally and are able to effectively exercise their rights as shareholders, the Company convenes annual general meeting in accordance with the provisions of the Articles of Association. For details of the convening of general meetings of the Company during the Reporting Period, please refer to "IV. Relevant Situations of Annual General Meeting and Extraordinary General Meetings Convened During the Reporting Period" under "Part I: Corporate Governance (Prepared in Accordance with PRC Securities Regulatory Requirements)" in this chapter.

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.

The Company has always maintained good communication with its shareholders and for the shareholder communication policy, please refer to "IX. Investor Relationship" 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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2. Attendance of each Director at general meetings

Position	Name	General meeting attendance in person/ General meeting attendance expected (including class meeting)
Chairman and executive Director	MAI Boliang	3/6
Vice chairman and non-executive Director	ZHU Zhiqiang	1/6
Vice chairman and non-executive Director	HU Xianfu	0/6
Non-executive Director	SUN Huirong	4/6
Non-executive Director	DENG Weidong	1/6
Non-executive Director	ZHAO Feng	2/6
Independent non-executive Director	LUI FUNG Mei Yee, Mabel	5/6
Independent non-executive Director	ZHANG Guanghua	6/6
Independent non-executive Director	YANG Xiong	6/6

Note: During the Reporting Period, certain Directors did not attend the general meeting in person due to work related reasons.

3. Execution of resolutions of general meetings by the Board

All members of the Board of the Company were able to perform their duties as directors conscientiously and diligently in compliance with the relevant laws and regulations of the place where the Company is listed and the Articles of Association, and conscientiously implemented resolutions of general meetings and completed the various assignment authorized by general meetings.

V. SUPERVISORS AND THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company is accountable to the general meetings. All of the Supervisors have discharged their duties seriously in accordance with the provisions of the Articles of Association, attended all Board meetings and 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 the "Working Report of the Supervisory Committee for 2024" disclosed by the Company on 27 March 2025.

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VI. ACCOUNTABILITY, AUDIT AND CONTINUING OPERATIONS OF THE BOARD

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group as at the end of the Reporting Period.

The Directors are not aware of any material uncertainties or events or conditions that may cast significant effect upon the Group's ability to continue to operate.

Please refer to the "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" of this Report for details of the statement of responsibilities of auditor of the Group for the audit of the financial statements.

VII. REMUNERATION OF THE AUDITORS

For information relating to the remuneration received by the auditors for their services to the Company during the Reporting Period, please refer to "VIII. Engagement and Disengagement of Firms of Accountants" of "Chapter VII Significant Events" in this Report.

VIII. COMPANY SECRETARY

Mr. WU Sanqiang is the secretary to the Board/company secretary of the Company and his primary duties are to address information disclosure of the Company, to organize and coordinate the investor relations management of the Company, to organize and prepare Board meetings and shareholders' general meetings, to attend shareholders' meetings, Board meetings, Supervisory Committee meetings and relevant meetings of the senior management personnel, and to discharge such other duties as provided by the relevant laws, administrative regulations and other regulatory documents, the stock exchange and the Articles of Association. The resume of Mr. WU is set out in "(3) Senior Management" under "V. Brief Biography of the Directors, Supervisors and Senior Management of the Company" in this chapter. In 2024, Mr. WU received trainings of more than 15 hours to advance their professional skills and knowledge.

CHAPTER V CORPORATE GOVERNANCE

IX. INVESTOR RELATIONS

The Company placed great emphasis on investors, especially the protection of interest of minority investors. It adopted effective and innovative measures in daily work and settlement of major issues to strengthen all-around communication with Shareholders and investors. Meanwhile, effective channels were provided by the Company to collect comments to ensure exercise of legal rights by investors.

- (1) Amendments to the Company's Articles of Association and related documents: In 2024, the Company amended its Articles of Association, the relevant information of which was available in the Company's announcements dated 26 June 2024 on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- (2) The Group's Shareholder Communication Policy primarily includes: 1) Annual general meetings provide constructive platform for communication which enable the Group to maintain regular two-way communication with Shareholders. 2) The Group provides the Shareholders and the investment market with designated contact details, such as telephone and fax numbers, postal and email addresses, for Shareholders to raise any enquiries about the Group. 3) The Group regularly organises various activities, including analyst meetings, roadshows, investor briefings, site visits and discussion sessions, to facilitate communication between the Group and its Shareholders and investors. All communication activities with the capital markets are subject to the relevant disclosure obligations and requirements of the Group. 4) The Shareholder Communication Policy is regularly reviewed by the Board of the Group and revised from time to time, if applicable.

CHAPTER V CORPORATE GOVERNANCE

- (3) Implementation and effectiveness of Shareholder Communication Policy: During the Reporting Period, the Group held four results presentations, convened one annual general meeting, attended 35 strategy meetings, organized 2 investor open days, proactively visited and received hundreds of investor researches. The live communication with Shareholders was realized in the above-mentioned presentations of results and annual general meeting of the Company. Certain Directors and management of the Group attended the meetings, and communicated with representatives of participating Shareholders, analysts and media reporters. In daily communications, the Group ensured smooth communication with investors to the maximum extent through telephone and on-site receptions. For information on the Company's reception of investors during the year, please refer to "XII. Reception of Research, Communications and Interviews" of "Chapter IV Report of the Board and Management Discussion and Analysis" of this report. At the same time, the Group took the initiative to solicit and collect shareholders' views and submitted them to the Company's management in the form of official documents, such as the monthly report on investor relation, to incorporate reasonable views and suggestions and actively study and implement proposals to empower operation and management.

In summary, the Group has strictly implemented the current shareholder communication policy during 2024, and the Company considers that the relevant system operates effectively. 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.

X. RISK MANAGEMENT AND INTERNAL CONTROL

(I) 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.

CHAPTER V CORPORATE GOVERNANCE

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 Board is to ensure that the resources and budgets are adequate in the areas at accounting, internal audit, financial reporting functions and environmental, social and governance (“ESG”) performance and reporting and that our staff have the appropriate qualifications and experience and received adequate training. The Audit Committee and the Risk Management 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 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 and guidance of the Board, 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. The Audit Committee of the Board of Directors of the Company reviewed the effectiveness of the operation of the risk management and internal control systems of the Company and its subsidiaries and how to further improve them in 2024 in each of their four regular meetings in accordance with relevant laws and regulations, and reported the situation to the Board of Directors, such reviews included without limitation to finance, operation and compliance.

During the Reporting Period, the Company upheld the tenet of “serving strategies, assisting operation, and protecting and creating value” in risk control. The Group continued with the strategy of “consolidating compliance-based risk control, promoting value-based risk control through industry control integration, and practicing digital risk control”, to unswervingly push forward the transformation and upgrading of digital risk control. In addition, the Group vigorously promoted the specialized management of key risks and the horizontal expansion of its achievements, and amid its efforts to foster an organizational atmosphere of “knowing the red line and guarding the bottom line”.

1. Promote digitalized risk control transformation and upgrading

- (1) We have launched, in the pilot segment, a project to build a digital risk control platform that is based on the risk rule engine, to propel the gradual transformation of risk supervision from “human prevention and control” to “technical prevention and control”. The Group has substantially completed the first round of rule design and commenced data testing on a small scale. Subsequently, the Group will advance rule optimization and mass data matching based on the test results. It is planned that the trial operation will be launched in the first quarter of 2025.
- (2) The Audit and Supervision Department of the Group has led and collaborated with the pilot segment/enterprises to realize the operation of the customer credit online management platform after 1 year, which basically opens up the cross-border processes from creation of potential business customers, credit granting, contract evaluation, product release and accounts receivable. The platform provides a real-time panoramic view of the use and over-granting of credit of enterprise customers, enabling the online control of the full life process of credit use and granting and real-time early warning of key risk points.

CHAPTER V CORPORATE GOVERNANCE

2. **Promote the specialized management of key risks and the horizontal expansion of its achievements**

- (1) We launch a special project on risk control of overseas enterprises, focusing on key risk areas and the best benchmarking practices. We identify critical risks in such areas as merger and acquisition strategy, corporate governance and business operation to propose practical improvement measures. At the same time, we systematically sort out main risk control measures for the full life process of pre-investment, investment and post-investment. Thanks to the work, we draft the CIMC Governance Plan for Overseas Enterprises (Discussion Draft) and output the Risk Control Guidelines for Overseas Enterprise Investments.
- (2) We implement a special project on the point inspections of EPC review and reviewed the rectification of EPC review enterprises from previous years. Through this review, effectiveness summary and the point inspections of new projects, we analyzed the reasons why the defects had not been rectified and made recommendations for improvement.
- (3) Drawing on the initial risk control achievements of innovative enterprises and taking into account business characteristics, we have continued with a special project on risk control for innovative enterprises.
- (4) In conjunction with the Group's financial management department and external consulting team, we are advancing a special project to enhance capital risk management and the non-direct sales risk management, and control capabilities and specialized risk governance capabilities as well as the non-direct sales risk management.

3. **Continue to create an organizational atmosphere of "knowing the red line and guarding the bottom line"**

- (1) By issuing the "Notice on Further Implementation of the Group's Key Risk Control Requirements" to provide a training course on the publicity and implementation of key risk control requirements and point inspection methods, the Group/segments set up a special point inspection team to step up unannounced inspections in "high-risk areas".
- (2) We develop a risk control course for general managers and provide three on-site training sessions.

CHAPTER V CORPORATE GOVERNANCE

4. ESG-related risks: In terms of environmental risks, we systematically identify, manage and control risks related to pollutant emissions, formulate contingency plans for environmental emergencies and pollution prevention and control measures, and are identifying physical and transformation risks related to climate change and formulating corresponding strategies and actions to effectively reduce greenhouse gas and pollutant emissions. In terms of social risks, we strictly comply with labor and employment laws and regulations, insist on equal employment, strengthen the identification and control of occupational health and safety risks, and promote the synergistic development of the enterprise with its employees and the community. In terms of risk management, we operate strictly in accordance with the governance mechanism and strengthen internal control, firmly promote digitalized risk control transformation and upgrading, vigorously promote special management of major risks, and continue to create an organizational atmosphere of “knowing the red line and guarding the bottom line” to ensure the sound operation of the enterprise.

(II) 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, and with benchmarking against the competent authorities and risk ranking among peers, organizes risk evaluation from both qualitative and quantitative perspectives, selects the top ten risks, investigates and analyzes the reasons for and impacts of the risks, and formulates response measures, which are taken as the material inputs of the business plan strategy of the Group for the next year.

(III) Procedures for reviewing the effectiveness of risk management and internal control system

During the Reporting Period, the Company continued to promote and improve the effectiveness of risk management and internal control system on a regular basis. The review procedures include annual self-assessment on internal control, compliance check, unannounced critical risk inspection, internal audit and maturity assessment of risk control system, 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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CORPORATE GOVERNANCE

(IV) 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 adequate and 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.

(V) 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 (《内幕信息知情人登记管理制度》), set up a supervision regime, specified the scope of inside information and developed the insider registration and archival-filing system. Please refer to "I. Situation of Corporate Governance" of "Part I: Corporate Governance (Prepared in Accordance with PRC Securities Regulatory Requirements)" in this chapter hereof for details.



CHAPTER VI

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

I. MATERIAL ENVIRONMENTAL ISSUES

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

☒ Yes ☐ No

For specific details of the Group's administrative permits in respect of environmental protection, standards for industrial emission and the discharge of pollutants during production and operating activities, treatment of pollutants and administrative penalties imposed upon the Group for environmental issues during the Reporting Period, please refer to the Annual Report of China International Marine Containers (Group) Co., Ltd. for 2024 disclosed by the Company to the public on 27 March 2025.

Environmental protection-related policies and industrial standards

The Group's subsidiaries comply strictly with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, the Law of the People's Republic of China on the Prevention and Control of Noise Pollution, the Law of the People's Republic of China on Environmental Protection Tax, the Law of the People's Republic of China on Clean Production Promotion, the Administrative Regulations for Pollutant Discharge Licensing, the Administrative Measures for Pollutant Discharge Licensing and other relevant laws and regulations during their production and operation processes. They rigorously implement the pollutant emission control standards set by national and local governments as well as industry regulations, ensuring compliance in pollution prevention and ecological environmental protection efforts.

Environmental self-monitoring plan

All the key environmental supervision units under the Group have conscientiously implemented their primary responsibilities and formulated environmental self-monitoring plans in accordance with the requirements of relevant regulations and standards, monitored and assessed waste gas, waste water and noise according to the self-monitoring plans, and installed automatic monitoring equipment or entrusted qualified third-party testing agencies to conduct contaminant monitoring work as regulatorily required. They have also developed management measures and procedures for environmental monitoring and kept relevant accounts as required.

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Contingency plan for environmental incidents

All the key environmental supervision units under the Group have prepared the contingency plan for environmental incidents in accordance with the requirements of relevant regulations and filed with the relevant authorities. In addition, they regularly organised and completed contingency drills for environmental incidents in order to ensure timely, orderly, efficient and proper response to environmental incidents.

Relevant information on investments in environmental management and protection and payment of environmental protection tax

The Group's accumulated investments in environmental management and protection during the Reporting Period exceeded RMB284 million. For key environmental supervision units, the investments exceeded RMB239 million and the related environmental protection tax was fully paid in a timely manner in accordance with the requirements of relevant laws and regulations.

Measures taken to reduce its carbon emissions during the Reporting Period and their effectiveness

☒ Yes ☐ No

The Group actively responded to the national "dual carbon" policies by vigorously implementing energy conservation and carbon reduction actions, promoting the green and low-carbon transformation of the Company, and leading the industry in transformation. The Group enhanced its energy management level through the establishment of the "Energy & Carbon" information platform, improved the mechanism for promoting "energy conservation and carbon reduction", advocated the establishment of an energy management system among enterprises, and organized thematic trainings to enhance the professional competence of its employees in energy management. The Group intensified the promotion of the demonstrative energy conservation and carbon reduction projects, with a number of projects implemented effectively during the Reporting Period, and stepped up the R&D and promotion of energy conservation technologies through its professional subordinate companies. Meanwhile, the Group has rolled out supportive actions in various aspects such as technological innovation, standard-based guidance and low-carbon culture. In addition, the Group has extended its green and low-carbon efforts to the value chain, and helped customers, stakeholders and the community to save energy and reduce carbon emissions through the R&D and delivery of green products and services via various business lines. Details of the measures taken by the Group to reduce carbon emissions and their effectiveness are set out in the "2024 Sustainable Development & Environmental, Social and Governance Report" published by the Company on 27 March 2025.

CHAPTER VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

Other environmental information that should be disclosed

None.

Other relevant environmental information

The Group and its subsidiaries have been consistently researching and introducing advanced cleaner production processes and pollutant treatment technologies to reduce the generation and discharge of pollutants and enhance the efficiency of treatment through the deployment of green production processes, the substitution of raw and auxiliary materials, and the upgrading and renovation of pollution treatment facilities. Each enterprise refined and continuously improved its environmental protection management according to its own actual situation, and achieved favorable results. During the Reporting Period, 84 enterprises of the Group passed ISO 14001 environmental management system certification, and 7 enterprises were newly selected as national green factories.

II. SOCIAL RESPONSIBILITY

Led by our vision of “becoming a high-quality and respected world-class enterprise”, the Group is firmly committed to the concept of sustainable development. The Group has published the sustainable development reports for many consecutive years, proactively disclosing to all stakeholders CIMC’s efforts in fulfilling social responsibilities and practicing ESG at a high standard. For details, please refer to the “2024 Sustainable Development & Environmental, Social and Governance Report” published by the Group on 27 March 2025.

CHAPTER VI

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

III. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALISATION

The Group attaches great importance to the work of rural revitalization. In 2024, a critical year for consolidating and expanding achievements in poverty alleviation while revitalizing rural areas, CIMC took the initiative in advancing the work of rural revitalization with “CIMC’s strengths” and achieved new results.

- (I) Leveraging our strengths in equipment, we support the rural modernisation process in an all-round way: Relying on our strengths in logistics and energy equipment, CIMC continuously develops and provides products and services that support rural revitalisation, and supports the construction of infrastructural facilities and industrial facilities in rural areas.**

In the field of rural infrastructure construction, for instance, Jingmen Hongtu under CIMC Enric effectively tackled the challenge of energy supply in rural areas with its LPG micro-pipe network solutions; CIMC Modular Building Systems Holding Co., Ltd. contributed to the construction of rural residential and public buildings in an efficient and environmentally friendly manner with its concrete panel-based modular building approach; and CIMC Environmental Protection Technology contributed to the improvement of rural ecological environment through its aquaculture tail water treatment and rural decentralized sewage treatment/water supply businesses.

In the field of industrial facility construction, for instance, CIMC Wetrans contributed to the launch of the rail-sea intermodal train loaded with sunflower seeds, operating from “Wulashanxi Railway Station to Tianjin” and the opening of the Yangtze River bulk grain liner service between “Nantong CIMC Port – Xiangyu Agricultural Products – Minjie Logistics”; CIMC Cold Chain provided advanced cold chain solutions and high-quality cold chain equipment; Shandong CIMC joined hands with Sinotruk to launch a high-end single-axle truck for berry transportation and refrigeration; CIMC Vehicles launched the CIMC lighthouse star-chained stake semi-trailers; and CIMC-SHAC launched a coal transportation train with well-integrated tractor and trailer. All these measures have greatly enhanced the transportation efficiency of agricultural products, and vigorously promoted the development and upgrading of rural industries.

CHAPTER VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

(II) Focusing on the development of local industries and the improvement of people's livelihood and well-being to support rural revitalization

Focusing on the development of local industries to stimulate the endogenous vitality of rural revitalization. For example, CIMC New Environmental Protection Material Co., Ltd. set up production bases in Suining and Hengyang, Hunan Province and Jinzhai, Anhui Province to promote the scaling up and modernization of the local bamboo industry.

Building “Livable, Business-friendly, and Harmonious” rural areas to enhance people's livelihood and well-being. In terms of educational assistance, CIMC companies improve rural education resources through teaching in poverty-stricken areas, donations and charity auctions; in terms of consumption assistance, trade unions at all levels within CIMC boost rural economic development through purchasing and assisting in sales of agricultural products; and in terms of other assistances, CIMC companies fulfill their social responsibilities by donating to rural areas, improving lives of the poor families, facilitating development of the agricultural industry, donating emergency supplies, etc.

In the future, CIMC will continue to give full play to the Group's advantages in industrial resources, plan and implement targeted initiatives to contribute CIMC's power to rural revitalization through practical actions.

For details and cases of the Group's efforts in consolidating and expanding the achievements in poverty alleviation and rural revitalization, please refer to the “2024 Sustainable Development & Environmental, Social and Governance Report” published by the Group on 27 March 2025.

CHAPTER VII

SIGNIFICANT EVENTS

I. 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.	15 August 2012	Before domestic residents are free to buy overseas stocks.	In progress
	The Company	Shareholders' bonus return plan (2022 to 2024)	28 June 2022	2022 to 2024	In progress
The commitment is fulfilled in a timely manner or not					

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 VII SIGNIFICANT EVENTS

II. APPROPRIATION OF THE LISTED COMPANY'S FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES

☐Applicable ☒Not Applicable

For details of appropriation of the Company's funds by our related parties for non-operating purposes, please refer to the Special Report on Funds Occupied by Controlling Shareholders and Other Related Parties of China International Marine Containers (Group) Co., Ltd. disclosed by the Company on 27 March 2025.

III. ILLEGAL EXTERNAL GUARANTEES

☐Applicable ☒Not Applicable

IV. STATEMENT OF THE BOARD ON THE AFFAIRS RELATING TO THE LATEST "NON-STANDARD AUDITING REPORT"

☐Applicable ☒Not Applicable

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 OR CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS IN COMPARISON WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR

☒Applicable ☐Not Applicable

For details, please refer to 35. Significant changes in accounting policies under Note III Significant Accounting Policies and Accounting Estimates to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in this Report.

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

☒Applicable ☐Not Applicable

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

CHAPTER VII SIGNIFICANT EVENTS

VIII. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

The firms of accountants engaged currently

The engaged firm of accountants in the mainland	KPMG Huazhen LLP
Payment for the accountants	Audit-related costs of RMB10.9127 million (including: auditing fees for financial statements of RMB9.1127 million, and auditing fees for internal control of RMB1.80 million).
Continuing service year of the accountants	1 year
CPA of the accountants	MA Yuchong, CHEN Lijia

Whether to appoint another accounting firm during the Reporting Period

☒Yes ☐No

Whether to appoint another accounting firm during the auditing period

☐Yes ☒No

Whether the approval procedures regarding the change of accounting firm have been fulfilled

☒Yes ☐No

Particulars on the change of accounting firm

Pursuant to the provisions of the Administrative Measures for the Appointment of Accounting Firms by State-owned Enterprises and Listed Companies and according to the requirements under the "Rules for the Selection and Appointment of Accounting Firm of China International Marine Containers (Group) Co., Ltd. (March 2024)", "the Group's continuous appointment of the same accounting firm should not exceed 8 years in principle... the term of appointment may be appropriately extended, but the continuous appointment period shall not exceed 10 years". Given that PricewaterhouseCoopers Zhong Tian LLP ("**PricewaterhouseCoopers Zhong Tian**") has provided audit services for the Company for 12 consecutive years after the completion of audit work for the year ended 31 December 2023. Therefore, it is necessary for the Company to change its accounting firm for the year 2024.

As considered and approved at the fifth meeting in 2024 of the tenth session of the Board of the Company convened on 27 March 2024 and the 2023 annual general meeting convened on 26 June 2024, the appointment of KPMG Huazhen LLP as the Company's auditor for the 2024 financial statement audit and internal control audit was approved.

The Company has communicated with PricewaterhouseCoopers Zhong Tian regarding the change of accounting firm. PricewaterhouseCoopers Zhong Tian has no disagreement on the change.

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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 KPMG Huazhen LLP as its accounting firm for internal control and auditing purposes.

IX. DELISTING UPON DISCLOSURE OF ANNUAL REPORT

☐Applicable ☒Not Applicable

X. BANKRUPTCY OR REORGANISATION RELATED ISSUES

☐Applicable ☒Not Applicable

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

XI. MATERIAL LAWSUITS AND ARBITRATIONS

☐Applicable ☒Not Applicable

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

Other litigation events

As at the end of the Reporting Period, the total litigation and arbitration amount involved in other sued cases involving the Group that are still pending was approximately RMB938 million, including the litigation against the Company and its subsidiaries by GOODPACK IBC (SINGAPORE) PTE. LTD and GOODPACK PTE. LTD ("**GOODPACK**" or the "**Plaintiffs**"), claiming USD9.8562 million, and the arbitration against the Company and its subsidiaries by GOODPACK, claiming USD19.8137 million.

The litigation and arbitration against the Company and its subsidiaries by GOODPACK are two separate proceedings. As the causes in these two proceedings are the same, and the claims filed by GOODPACK are overlapping, and the adjudication in either proceeding will materially affect that of the other. It is the Company's view that if GOODPACK prevails in one proceeding with compensation, such compensation will be deducted from the adjudication in the other proceeding and there will be no repetitive compensation. For details of the litigation and arbitration, please refer to the announcement of Company published on 1 March 2024. As at 27 March 2025, the litigation case was suspended by the High Court of Singapore and the first trial has not yet been formally heard; the arbitral tribunal of the arbitration has been formed and has not yet been formally heard.

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XII. PENALTIES AND REMEDIES

☐Applicable ☒Not Applicable

During the Reporting Period, there were no penalties or remedies of the Company. However, when YANG Xiong was proposed to be an independent director of the Group, the Group and YANG Xiong have made on 20 May 2022 the Declaration of the Nominator of Independent Director and the Declaration of the Candidate for Independent Director, respectively. They declared that YANG Xiong did not serve concurrently as a director, supervisor or senior management personnel of more than five companies and warranted that the above statement was true, accurate and complete and does not contain any misrepresentations, misleading statements or material omissions. Upon investigation, YANG Xiong then served concurrently as a director, supervisor or senior management personnel of more than five companies, which means the contents of above statement falls short of the fact. As the above behavior of the Group and YANG Xiong violated the requirements of first paragraph of Article 3 of the Administrative Measures for the Disclosure of Information of Listed Companies; WU Sanqiang, as the secretary to the Board of the Group, is mainly responsible for the above violations of the Group in accordance with the requirements of the second paragraph of Article 51 of the Administrative Measures for the Disclosure of Information of Listed Companies. Therefore, in February 2024, they received the decision of administrative regulatory measures entitled "Decision on the Adoption of the Measure of Issuance of Warning Letter against China International Marine Containers (Group) Co., Ltd., WU Sanqiang and YANG Xiong issued by Shenzhen CSRC. And as a result of the above-mentioned matter, YANG Xiong and the Company received a regulatory letter entitled "Regulatory letter against Yang Xiong and China International Marine Containers (Group) Co., Ltd." issued by the Shenzhen Stock Exchange.

Notwithstanding the foregoing, Mr. YANG Xiong actually still meets the qualifications and requirements for independent director then, and continues to meet the qualifications for the current independent director. The warning letter and regulatory letter have no impact on his performance of duties in the Group. Such event will not affect the normal production, operation and management activities of the Group. After receiving the abovementioned letters, the Group and related responsible persons placed great emphasis on problems as referred to therein. In light of the above, the Group will strengthen the learning and training of all directors, supervisors or senior management personnel and relevant persons on related laws and regulations of information disclosure, verify the qualification of relevant person, improve the standardized operation awareness, continually improve the quality of information disclosure and the level of standardized operation to avoid similar incidents in the future.

XIII. THE CREDITWORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

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

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XIV. MATERIAL RELATED-PARTY TRANSACTIONS

(I) Related-party Transactions as Defined by Domestic Laws and Regulations

1. Related-party Transactions Relating to Daily Operations

Unit: RMB thousand

Related party	Relationship with the Group	Type of the related-party transaction	Details of the related-party 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
Sinotrans & CSC Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	461,140	-	580,000	No	-	-	17 June 2022 and 3 August 2022	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
		Receiving of services	Receiving of services	Regular commercial terms	-	1,211,998	-	4,600,000	No	-	-		
China Merchants Port Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	2,305	-	140,000	No	-	-	11 May 2022	
		Receiving of services and leasing business	Receiving of services and leasing business	Regular commercial terms	-	26,794	-	60,000	No	-	-		
Liaoning Port Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	2,225	-	140,000	No	-	-	11 May 2022	
		Receiving of services and leasing business	Receiving of services and leasing business	Regular commercial terms	-	17,067	-	60,000	No	-	-		
China Merchants RORO Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	-	-	170,000	No	-	-	11 May 2022	
		Receiving of services	Receiving of services	Regular commercial terms	-	-	-	30,000	No	-	-		
Sinotrans Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	119,717	-	190,000	No	-	-	11 May 2022	
		Receiving of services	Receiving of services	Regular commercial terms	-	1,702	-	30,000	No	-	-		
Shenzhen Financial Leasing Company and its subsidiaries	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	427,038	-	1,410,000	No	-	-	24 February 2023	
		Purchase of goods and receiving of services	Receiving of services	Regular commercial terms	-	7,640	-	100,000	No	-	-		

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Related party	Relationship with the Group	Type of the related-party transaction	Details of the related-party 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
Shenzhen Huijin Intelligent Industry Co., Ltd. and its subsidiaries	Subsidiary of substantial shareholder	Provision of services	Provision of services	Regular commercial terms	-	155	-	50,000	No	-	-	24 February 2023	
CMOEI Group	Subsidiary of substantial shareholder	Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	85,242	-	200,000	No	-	-	26 June 2023	
China Merchants Shekou Industrial Zone Holdings Co., Ltd. and its subsidiaries	Subsidiary of substantial shareholder	Purchase of goods and receiving of services	Purchase of goods and receiving of services	Regular commercial terms	-	46,492	-	100,000	No	-	-	28 December 2023	
		Sale of goods	Sale of goods	Regular commercial terms	-	1,001	-	10,000	No	-	-		
China Merchants Hoi Tung Trading Company Limited and its subsidiaries	Subsidiary of substantial shareholder	Purchase of goods	Purchase of goods	Regular commercial terms	-	16,402	-	120,000	No	-	-	2 February 2024	
		Sale of goods and provision of services	Sale of goods and provision of services	Regular commercial terms	-	12	-	10,000	No	-	-		
Total						2,426,930							

Details of substantial sales return
Projected total amount of related transactions in the ordinary course of business during the current period by type and actual performance during the Reporting Period (if any)
Reason for the substantial difference between transaction prices and referential market prices (if applicable)

Nil
As at 31 December 2024, the actual transaction amounts of ordinary related-party transactions between the Group and related parties have not exceeded the annual caps set out in the agreements signed between the Company and related parties in respect of these ordinary related-party transactions.
Not applicable

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2. Related-party Transactions Relating to Assets or Equity Interest Acquisition and Disposal

☐ Applicable ☒ Not Applicable

3. Related-party Transactions Relating to Joint External Investments

☒ Applicable ☐ Not Applicable

For details of the related-party transactions relating to joint external investments, please refer to “1. Connected Transactions” of “(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules” of “XIV. Material Related-party Transactions” of this chapter.

4. Claims and Liabilities among the Related-party Transactions

☒ Applicable ☐ Not Applicable

During the Reporting Period, the information on claims and liabilities among the related-party transactions is set out in the Note X. 4. (4) to “Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE” in this Report.

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

☐ Yes ☒ No

5. Transactions with Related Finance Companies

☐ Applicable ☒ Not Applicable

There is no deposit, loan, credit or other financial business between the Company and related finance companies and related parties.

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6. Transactions between Finance Companies Controlled by the Company and Related Parties

☒ Applicable ☐ Not Applicable

- (1) On 27 August 2021, as considered and approved at the twenty-first meeting in 2021 of the ninth session of the Board of the Company, CIMC Finance Company signed the Financial Services Framework Agreement (the “**Original Financial Service Agreement**”) with CIMC Industry & City. Pursuant to the Original Financial Services Agreement, CIMC Finance Company provides financial services to CIMC Industry & City and its subsidiaries, including deposit-taking services and loan services. The term is three years from the date when the general meeting considers and approves the agreement. The transaction limit of the Original Financial Services Agreement is as follows: the maximum daily deposit balance of CIMC Industry & City and its subsidiaries with CIMC Finance Company shall not exceed RMB3 billion; the principal balance of loans provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries shall not exceed RMB1.5 billion. The transaction was considered and approved at the fourth extraordinary general meeting for 2021 held by the Company on 24 September 2021.

Considering the fact that the approved related-party transactions between CIMC Finance Company and CIMC Industry & City will be matured on 23 September 2024, on 4 June 2024, the tenth meeting in 2024 of the tenth session of the Board of the Company has considered and approved CIMC Finance Company to enter into a new Financial Services Framework Agreement with CIMC Industry & City, under which, the transaction limit remains unchanged as compared to the Original Financial Services Agreement, and the services shall be valid for a period of one year from the date of approval by the Board of the Company. The transaction is not required to submit to the general meeting of the Company for consideration.

For relevant information, please refer to the relevant announcements 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) on 27 August 2021, 24 September 2021 and 4 June 2024.

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1) The deposit business of CIMC Industry & City and its subsidiaries with CIMC Finance Company:

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Amount for the period			Balance as at 31 December 2024 (including interest)
				Balance as at 1 January 2024 (including interest)	Total amount deposited for the period (including interest)	Total amount withdrawn for the period (including interest)	
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	3,000,000	With reference to market rates	138,631	9,830,523	(9,897,335)	71,819

During the Reporting Period, the maximum daily deposit balance of CIMC Industry & City and its subsidiaries with CIMC Finance Company was RMB148,309,000, which did not exceed the agreed cap of RMB3,000,000,000.

2) The loan business provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries:

Unit: RMB thousand

Related party	Relationship	Credit limit	Range of interest rate	Amount for the period			Balance as at 31 December 2024 (including interest)
				Balance as at 1 January 2024 (including interest)	Total loans for the period (including interest)	Total repayments for the period (including interest)	
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	1,500,000	With reference to market rates	665,272	116,251	(41,747)	739,776

During the Reporting Period, the maximum balance of the principal of loans provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries was RMB738.504 million, which did not exceed the agreed cap of RMB1,500 million.

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- (2) On 23 June 2022, as considered and approved by the Directors at the 13th meeting of the Board in 2022, it was agreed that CIMC Commercial Factoring Co., Ltd. (“**CIMC Factoring**”), a holding subsidiary of the Company’s wholly-owned subsidiary, Shenzhen CIMC Investment Co. Ltd., should provide factoring services to CIMC Industry & City and its subsidiaries. It was also agreed that the aggregate balance of the principal and interest of the related-party transactions between CIMC Factoring and CIMC Industry & City and its subsidiaries should not exceed RMB220 million (“**Original Cap**”) for each day. The above agreements are valid from the date of approval by the Board, i.e. 23 June 2022, till 23 September 2024. Given that the imminent expiry of the validity period of the approved connected transactions between CIMC Factoring and CIMC Industry & City, therefore, on 4 June 2024, as considered and approved at the tenth meeting in 2024 of the tenth session of the Board of the Company, the aggregate principal and interest balances of the connected transactions between CIMC Factoring and CIMC Industry & City and its subsidiaries should not exceed RMB220 million for each day, which there is no change in the amount of the transactions as compared with the Original Cap. The term is one year from the date when the general meeting considers and approves the agreement. This matter does not need to be submitted to the general meeting of the Company for consideration.

For relevant information, please refer to the relevant announcements 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) on 4 June 2024.

The factoring business between CIMC Factoring and CIMC Industry & City and its subsidiaries:

Unit: RMB thousand

Related party	Relationship	Daily cap	Range of interest rate	Amount for the period			
				Balance as at 1 January 2024	Total increase for the period	Total decrease for the period	Balance as at 31 December 2024
CIMC Industry & City	Directors, Supervisors and senior management holding positions	220,000	With reference to market rates	–	30,000	30,000	–

During the Reporting Period, the maximum daily balance of the transactions between CIMC Factoring and CIMC Industry & City and its subsidiaries was RMB30 million, which did not exceed the agreed cap of RMB220 million.

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- (3) On 11 May 2022, CIMC Finance Company entered into the Financial Service Framework Agreement with CIMC Leasing, pursuant to which, CIMC Finance Company is to provide financial services, including deposit-taking services, to CIMC Leasing and its subsidiaries. As agreed between the two parties in the Financial Services Framework Agreement: the maximum daily deposit balance of CIMC Leasing and its subsidiaries with CIMC Finance Company shall not exceed RMB500 million, with the interest rate of the deposits determined with reference to the market rates. The Financial Services Framework Agreement should be valid for a period of three years commencing from the date of exclusion of CIMC Leasing from the Group's consolidated financial statements on 27 May 2022. For further details, please refer to the Company's announcement published on Cninfo's website (www.cninfo.com.cn) and that of the Company (www.cimc.com) on 11 May 2022.

The deposit business of CIMC Leasing and its subsidiaries with CIMC Finance Company:

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Amount for the period			
				Balance as at 1 January 2024 (including interest)	Total amount deposited for the period (including interest)	Total amount withdrawn for the period (including interest)	Balance as at 31 December 2024 (including interest)
CIMC Leasing	Subsidiary of substantial shareholder	500,000	With reference to market rates	103,428	14,000,068	(14,000,169)	103,327

During the Reporting Period, the maximum daily deposit balance of CIMC Leasing with CIMC Finance Company was RMB459.221 million, which did not exceed the agreed cap of RMB500 million.

Based on business needs, CIMC Finance Company, as considered and approved at the eighteenth meeting in 2024 of the tenth session of the Board of the Company convened on 19 December 2024, entered into a renewal of the Financial Service Framework Agreement with Shenzhen Financial Leasing Company in respect of the future related party transactions. CIMC Finance Company will provide financial services including deposit-taking services, etc. to Shenzhen Financial Leasing Company and its subsidiaries. The transaction limit is as follows: the maximum daily deposit balance of Shenzhen Financial Leasing Company and its subsidiaries with CIMC Finance Company shall not exceed RMB500 million.

7. Other Material Related-party Transactions

☒Applicable ☐Not Applicable

For details of the guarantees provided by the Group to the related parties CIMC Industry & City and CIMC Leasing, please refer to "2. Material Guarantees" of "XV. Material Contracts and Their Performances" of this chapter.

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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:

Joint establishment of an industry fund by a subsidiary and a professional institution

An indirect controlling subsidiary of the Company and Vanho Capital Investment Co., Ltd.* (萬和弘遠投資有限公司), a connected person, has cooperated to establish the "CIMC Hongyuan Advanced Manufacturing Industry Fund (中集弘遠先進製造產業基金)". The total size of the Fund is RMB1 billion, to be raised in two tranches. On 6 February 2024, private investment fund filing procedures of the second fund of the second tranche fund have been completed. For details, please refer to the announcement published by the Company on Cninfo's 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 23 February 2024.

2. Continuing Connected Transactions/Ordinary Related-party Transactions

(1) Continuing connected transactions/ordinary related-party transactions with Sinotrans & CSC Group

Based on the factors such as the actual transactions, economic environment of the market and expected prices to remain high, the Company and Sinotrans & CSC anticipate that the original 2022 annual cap and 2023 annual cap under the Original Framework Agreement (entered into on 9 December 2021) will not be able to meet the future transaction needs of the parties. In this regard, on 17 June 2022, as considered and approved by the Directors at the 12th meeting of the 9th session of the Board of Directors of the Company in 2022, the Company entered into a New Framework Agreement on Sale of Goods and Provision/Acceptance of Services (the "**Existing Sinotrans & CSC Framework Agreement**") with Sinotrans & CSC, which set forth the new proposed caps for both parties for 2022, 2023 and 2024.

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Sinotrans & CSC is a wholly-owned subsidiary of China Merchants Group Limited, a substantial shareholder of the Company, and Sinotrans & CSC and its subsidiaries are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules and the transactions between the Group and Sinotrans & CSC Group under the Existing Sinotrans & CSC Framework Agreement constitute continuing connected transactions for the Company. In addition, Sinotrans & CSC and its subsidiaries are related legal entities of the Company under Chapter 6 of the Shenzhen Listing Rules and the transactions between the Group and Sinotrans & CSC Group under the Existing Sinotrans & CSC Framework Agreement constitute ordinary related-party transactions for the Company. On 3 August 2022, the issue was considered and approved by the Shareholders at the first extraordinary general meeting of the Company in 2022.

Set out below are the proposed caps for the continuing connected transactions/ordinary related-party transactions under the Existing Sinotrans & CSC Framework Agreement for the year ended 31 December 2024 and the actual transaction amounts incurred in 2024:

Unit: RMB thousand

Scope of connected/related-party transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
Sale of goods and rendering of services by the Group to Sinotrans & CSC Group	580,000	461,140
Receipt of services by the Group from Sinotrans & CSC Group	4,600,000	1,211,998

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Since the Existing Sinotrans & CSC Framework Agreement expired on 31 December 2024 and in light of the Company's business needs, the Company, as considered and approved at the seventeenth meeting in 2024 of the tenth session of the Board convened on 6 December 2024, entered into a renewal agreement with Sinotrans & CSC in respect of the continuing connected transactions/ordinary related-party transactions, under which the annual caps for the years from 2025 to 2027 have been set (the **"New Sinotrans & CSC Framework Agreement"**). The transaction has been considered and approved at the third extraordinary general meeting in 2024 held by the Company on 27 December 2024. The proposed caps in respect of the continuing connected transactions/ordinary related-party transactions under the New Sinotrans & CSC Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 are set out as follows:

Unit: RMB thousand

Connected/ related-party	Scope of connected/ related-party transaction	Proposed caps		
		For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
Sinotrans & CSC Group	Sale of goods and rendering of services by the Group to Sinotrans & CSC Group	580,000	610,000	640,000
	Receipt of services by the Group from Sinotrans & CSC Group	2,500,000	3,000,000	3,500,000

For relevant information, please refer to the announcements 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) on 9 December 2021, 17 June 2022, 3 August 2022, 6 December 2024 and 27 December 2024.

(2) Continuing connected transactions/ordinary related-party transactions with the subsidiaries of China Merchants Group for 2022–2024

On 11 May 2022, as considered and approved at the seventh meeting of the ninth session of the Board in 2022, the Company entered into relevant agreements with China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans, respectively. Pursuant to the agreements, the Group will continuously sell goods and provide services to, and receive services and/or leasing businesses from the other parties. All the parties have agreed on the proposed caps for the transactions for the three years ended 31 December 2022, 2023 and 2024 (the four agreements signed collectively referred to as the **"Existing China Merchants Subsidiaries Framework Agreements"**).

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China Merchants Port, Liaoning Port, China Merchants RORO and Sinotrans are all subsidiaries of China Merchants Group, a substantial shareholder of the Company. Therefore, China Merchants Port Group, Liaoning Port Group, China Merchants RORO Group and Sinotrans Group are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules and the transactions under the Existing China Merchants Subsidiaries Framework Agreements constitute continuing connected transactions for the Company. In addition, China Merchants Port Group, Liaoning Port Group, China Merchants RORO Group and Sinotrans Group are related legal entities of the Company under Chapter 6 of the Shenzhen Listing Rules and the transactions under the Existing China Merchants Subsidiaries Framework Agreements constitute ordinary related-party transactions for the Company.

The proposed caps for the continuing connected transactions/ordinary related-party transactions for the year ended 31 December 2024 and the actual transaction amounts incurred in 2024 are as follows:

Unit: RMB thousand

Connected/related party	Scope of connected/ related-party transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
China Merchants Port Group	Sale of goods and provision of services by the Group to China Merchants Port Group	140,000	2,305
	Receipt of services and leasing business by the Group from China Merchants Port Group	60,000	26,794
Liaoning Port Group	Sale of goods and provision of services by the Group to Liaoning Port Group	140,000	2,225
	Receipt of services and leasing business by the Group from Liaoning Port Group	60,000	17,067
China Merchants RORO Group	Sale of goods and provision of services by the Group to China Merchants RORO Group	170,000	–
	Receipt of services by the Group from China Merchants RORO Group	30,000	–
Sinotrans Group	Sale of goods and provision of services by the Group to Sinotrans Group	190,000	119,717
	Receipt of services by the Group from Sinotrans Group	30,000	1,702

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Since the Existing China Merchants Subsidiaries Framework Agreements expired on 31 December 2024 and in light of the Company's business needs, the Company, as considered and approved at the first meeting in 2025 of the tenth session of the Board convened on 3 January 2025, entered into renewal agreements with China Merchants Port, Liaoning Port and Sinotrans in respect of the continuing connected transactions/ordinary related-party transactions, under which the annual caps for the years from 2025 to 2027 have been set (collectively referred to as the "Proposed Caps", and the agreements signed collectively referred to as the **"New China Merchants Subsidiaries Framework Agreements"**). The Proposed Caps in respect of the continuing connected transactions/ordinary related-party transactions under the New China Merchants Subsidiaries Framework Agreements for the three years ending 31 December 2025, 2026 and 2027 are set out as follows:

Unit: RMB thousand

Connected/ related party	Scope of connected/ related-party transaction	Proposed Caps		
		For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
China Merchants Port Group	Sale of goods and provision of services by the Group to China Merchants Port Group	140,000	140,000	140,000
	Receipt of services and leasing by the Group from China Merchants Port Group	70,000	80,000	90,000
Liaoning Port Group	Sale of goods and provision of services by the Group to Liaoning Port Group	300,000	300,000	300,000
	Receipt of services and leasing by the Group from Liaoning Port Group	70,000	80,000	90,000
Sinotrans Group	Sale of goods and provision of services by the Group to Sinotrans Group	600,000	600,000	600,000
	Receipt of services by the Group from Sinotrans Group	30,000	30,000	30,000

For relevant information, please refer to the announcements 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) on 11 May 2022 and 3 January 2025.

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(3) Continuing connected transactions/ordinary related-party transactions with the subsidiaries of Shenzhen Capital Group

On 11 May 2022, as considered and approved by the seventh meeting in 2022 of the ninth session of the Board of the Company, CIMC Finance Company and CIMC Leasing entered into the Financial Service Framework Agreement. On 24 February 2023, as considered and approved by the second meeting in 2023 of the tenth session of the Board of the Company, the Company entered into the relevant agreements respectively with CIMC Leasing and Shenzhen Huijin Intelligent Industry Co., Ltd. ("**Huijin Intelligent**"), under which, the Group will continue to provide goods and/or services to CIMC Leasing and its subsidiaries ("**Leasing Company**"), Huijin Intelligent and its subsidiaries ("**Huijin Company**"), as well as receive the goods and services provided by Leasing Company. The parties also agreed on the Proposed Caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2023, 2024 and 2025 (the two agreements signed collectively known as the "**Framework Agreements with Subsidiaries of Shenzhen Capital Group**").

CIMC Leasing and Huijin Intelligent are subsidiaries of Shenzhen Capital Group, the largest shareholder of the Company. Under Chapter 14A of the Hong Kong Listing Rules, as Leasing Company and Huijin Company are connected persons of the Company, the transactions under the Framework Agreements with Subsidiaries of Shenzhen Capital Group and the Financial Service Framework Agreement constitute continuing connected transactions of the Company. Further, according to Chapter 6 of the Shenzhen Listing Rules, Leasing Company and Huijin Company are related legal persons of the Company, and the transactions under the Framework Agreements with Subsidiaries of Shenzhen Capital Group and the Financial Service Framework Agreement constitute ordinary related-party transactions of the Company.

a. The Framework Agreements with Subsidiaries of Shenzhen Capital Group provided the proposed caps of continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2023, 2024 and 2025.

The proposed caps under the Framework Agreements with Subsidiaries of Shenzhen Capital Group for the year ended 31 December 2024 and the actual transaction amounts for 2024 are shown below:

Unit: RMB thousand

Connected/related party	Scope of connected/ related-party transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
Leasing Company	Sale of goods and provision of services by the Group	1,410,000	427,038
	Purchase of goods and receipt of services by the Group	100,000	7,640
Huijin Company	Provision of services by the Group	50,000	155

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b. For details of the Financial Service Framework Agreement, please refer to “6. Transactions between Finance Companies Controlled by the Company and Related Parties” of “(I) Related-Party Transactions as Defined by Domestic Laws and Regulations” under “XIV. Material Related-Party Transactions” in this chapter.

For relevant information, please refer to the announcements 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) on 11 May 2022 and 24 February 2023, respectively.

(4) Continuing connected transactions with SIPG Group

On 23 June 2022, as considered and approved at the thirteenth meeting in 2022 of the ninth session of the Board of the Company, the Company entered into the relevant agreement with SIPG (the “**Existing SIPG Group Framework Agreement**”) to agree on the proposed caps in respect of the transactions for the three years from 1 January 2022 to 31 December 2024. The Group will continuously sell goods and provide services to SIPG Group, and receive services provided by SIPG Group. After the completion of the transaction regarding introduction of a strategic investor, SIPG, by CIMC Wetrans on 31 March 2022, SIPG holds 12% equity interests in CIMC Wetrans and is a substantial shareholder of CIMC Wetrans, which in turn is a significant subsidiary of the Company. Thus, SIPG and its subsidiaries have constituted connected persons of the Company at the subsidiary level since 31 March 2022. Therefore, the transactions between the Group and SIPG Group contemplated under the Existing SIPG Group Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. The proposed caps of the continuing connected transactions agreed for the year ended 31 December 2024 and the actual transaction amounts for 2024 are shown below:

Unit: RMB thousand

Scope of connected transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
Sale of goods and rendering of services by the Group to SIPG Group	500,000	342,628
Receipt of services by the Group from SIPG Group	1,400,000	896,126

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Taking into consideration that the Existing SIPG Group Framework Agreement had expired on 31 December 2024, after consideration and approval at the eighteenth meeting in 2024 of the tenth session of the Board held on 19 December 2024, the Company and SIPG entered into the New SIPG Group Framework Agreement, so as to continue to meet the future transaction needs of the Company and SIPG Group. The proposed caps of the continuing connected transactions agreed for the three years ending 31 December 2025, 2026 and 2027 are set out below:

Unit: RMB thousand

Scope of connected transaction	Proposed cap		
	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
Sale of goods and rendering of services by the Group to SIPG Group	150,000	150,000	150,000
Receipt of services by the Group from SIPG Group	1,450,000	1,450,000	1,450,000

For relevant information, please refer to the announcements 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) on 23 June 2022 and 19 December 2024, respectively.

(5) Continuing connected transactions/ordinary related-party transactions with China Merchants Offshore Engineering Investment Shenzhen Co., Ltd.

On 26 June 2023, as considered and approved at the twelfth meeting in 2023 of the tenth session of the Board of the Company, CMOEI signed relevant agreement (the "**CMOEI Framework Agreement**") with the Company, the Group would continue to provide goods and services to the CMOEI Group and it was agreed on the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2023, 2024 and 2025.

AS CMOEI is a wholly-owned subsidiary of China Merchants Group, a substantial shareholder of the Company, according to Chapter 14A of the Hong Kong Listing Rules, CMOEI Group is a connected person of the Company; therefore, the transactions under CMOEI Framework Agreement contemplated between the Group and CMOEI Group constitute continuing connected transactions of the Company. Meanwhile, according to Chapter 6 of the Shenzhen Listing Rules, CMOEI Group is an affiliated legal person of the Company, and the transactions under CMOEI Framework Agreement contemplated between the Group and CMOEI Group constitute ordinary related-party transactions of the Company.

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The proposed caps of the continuing connected transactions/ordinary related-party transactions agreed for the year ended 31 December 2024 and the actual transaction amounts for 2024 are shown below:

Unit: RMB thousand

Scope of connected/related-party transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
Sale of goods and rendering of services by the Group to CMOEI Group	200,000	85,242

For relevant information, please refer to the announcements 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) on 26 June 2023.

(6) Continuing connected transactions/ordinary related-party transactions with China Merchants Shekou Industrial Zone Holdings Co., Ltd.

On 28 December 2023, the twenty-fifth meeting of the tenth session of the Board of the Company in 2023 considered and approved the relevant agreements (hereinafter referred to as the “**China Merchants Shekou Framework Agreements**”) signed between the Company and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) (hereinafter referred to as the “**China Merchants Shekou**”, together with its subsidiaries, “**China Merchants Shekou Group**”), which provided that the Group shall provide goods to China Merchants Shekou Group on an ongoing basis and receive goods and services provided by China Merchants Shekou Group, and agreed on the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2024, 2025 and 2026. China Merchants Shekou is a subsidiary of China Merchants Group, the substantial shareholder of the Company; as a result, China Merchants Shekou Group is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions between the Group and China Merchants Shekou Group under the China Merchants Shekou Framework Agreements constitute continuing connected transactions of the Company. In addition, as stipulated by the provisions of Chapter 6 of the Shenzhen Listing Rules, China Merchants Shekou Group is a related legal person of the Company, and therefore the transactions between the Group and China Merchants Shekou Group under the China Merchants Shekou Framework Agreements constitute ordinary related-party transactions of the Company.

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The proposed caps for the continuing connected transactions/ordinary related-party transactions agreed for the year ended 31 December 2024 and the actual transaction amounts for 2024 are as follows:

Unit: RMB thousand

Scope of connected/related-party transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
Sale of goods by the Group to China Merchants Shekou Group	10,000	1,001
Purchase of goods and receipt of services by the Group from China Merchants Shekou Group	100,000	46,492

For relevant information, please refer to the announcements 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) on 28 December 2023.

(7) Continuing connected transactions/ordinary related-party transactions with China Merchants Hoi Tung Trading Company Limited

On 2 February 2024, the first meeting of the tenth session of the Board of the Company in 2024 considered and approved the relevant agreements ("**China Merchants Hoi Tung Framework Agreements**") signed between the Company and China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) ("**China Merchants Hoi Tung**", together with its subsidiaries, "**China Merchants Hoi Tung Group**"), which provided that the Group shall provide goods and services to China Merchants Hoi Tung Group on an ongoing basis and receive goods and services provided by China Merchants Hoi Tung Group, and agreed on the proposed caps in respect of the continuing connected transactions/ordinary related-party transactions for the three years ended/ending 31 December 2024, 2025 and 2026. China Merchants Hoi Tung is a subsidiary of China Merchants Group, the substantial shareholder of the Company; as a result, China Merchants Hoi Tung Group is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions between the Group and China Merchants Hoi Tung Group under the China Merchants Hoi Tung Framework Agreements constitute continuing connected transactions of the Company. In addition, as stipulated by the provisions of Chapter 6 of the Shenzhen Listing Rules, China Merchants Hoi Tung Group is an associated corporation of the Company, and therefore the transactions between the Group and China Merchants Hoi Tung Group under the China Merchants Hoi Tung Framework Agreements constitute ordinary related-party transactions of the Company.

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The proposed caps for the continuing connected transactions/ordinary related-party transactions agreed for the year ended 31 December 2024 and the actual transaction amounts for 2024 are as follows:

Unit: RMB thousand

Scope of connected/related-party transaction	Proposed cap for the year ended 31 December 2024	Actual amount for the year ended 31 December 2024
Sale of goods and rendering of services by the Group to China Merchants Hoi Tung Group	10,000	12
Purchase of goods by the Group from China Merchants Hoi Tung Group	120,000	16,402

For relevant information, please refer to the announcements 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) on 2 February 2024.

(8) Pricing Policy:

As far as the Group or each related/connected party (as applicable) is concerned, the prices and terms relating to the continuing connected transactions/ordinary related-party transactions among the Group and the above-mentioned connected/related-parties (the "**Transactions**"), will not deviate from the prices and terms offered by the Group or each related/connected party (as applicable) for the supply or receiving of similar goods and/or services to and from independent third parties, and will make reference to at least two contemporaneous transactions of similar volume or quality with unrelated third parties. In addition, the relevant departments of the Group will regularly conduct a comprehensive analysis of the profitability of the supply or receiving of similar goods and/or services to and from different customers (including each related/connected party and independent third-party customers), review the profit contribution of different customers and reflect the analysis results to the business departments for reference in making pricing adjustment decisions.

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(9) Independent non-executive Directors' confirmation:

In relation to the Transactions during the Reporting Period, 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;
- 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.

(10) Auditors' confirmation:

The auditors of the Company reviewed the Transactions during the Reporting Period and confirmed that:

- (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 transactions involving the provision of goods or services by 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.

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(11) 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. Others

Details of the Group's related-party transactions and connected transactions during the 2024 Annual Report period are set out in note X. 4 to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in the 2024 Annual Report. Except for the connected transactions and continuing connected transactions as disclosed in "(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules" of "XIV. Material Related-party Transactions" in this chapter, in respect of the connected transactions set out in note X. 4 to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in the 2024 Annual Report which do not constitute connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules, there are no other connected transactions required to be disclosed pursuant to Chapter 14A of the Hong Kong Listing Rules. The Company further confirms that the connected transactions or continuing connected transactions have complied with the disclosure requirements in accordance with Chapter 14A of the Hong Kong Listing Rules.

XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting and 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

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	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related party guarantee or not
Customers and distributors of subsidiaries of CIMC Vehicles	27 March 2024	2,800,000	1 January 2024	73,340	Warranty	Nil	Nil	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.	27 March 2024	15,000	1 January 2024	4,822	Warranty	Secured	Nil	1-2 years	No	No
Customers of Kunming CIMC Vehicle Park Development Co., Ltd.	27 March 2024	40,000	1 January 2024	0	Warranty	Nil	Nil	Not applicable	Not applicable	No
C&C Trucks Co., Ltd. (including subsidiaries)	27 March 2024	480,000	1 January 2024	106,260	Warranty	Nil	Nil	1-2 years	No	No
CIMC Industry & City (including subsidiaries)	27 March 2024	1,570,000	1 January 2024	232,957	Warranty	Nil	Secured	1-2 years	No	Yes
Shenzhen Financial Leasing (including subsidiaries)	27 March 2024	4,100,000	1 January 2024	639,880	Warranty	Nil	Nil	1-2 years	No	Yes
Guizhou Shuigang New Energy Co., Ltd.	27 March 2024	100,000	1 January 2024	0	Warranty	Nil	Nil	Not applicable	Not applicable	No
Yichuan Tianyun Clean Energy Co., Ltd.	27 March 2024	60,000	1 January 2024	46,605	Warranty	Nil	Nil	1-2 years	No	No
CIMC-Hexagon Hydrogen Energy Technologies Limited	27 March 2024	100,000	1 January 2024	0	Warranty	Nil	Nil	Not applicable	Not applicable	No
Zhaoqing Runqing Water Transportation Limited	27 March 2024	100,000	1 January 2024	0	Warranty	Nil	Nil	Not applicable	Not applicable	No
Total external guarantee facilities approved during the Reporting Period (A1)			9,365,000	Total actual amount of external guarantees during the Reporting Period (A2)						592,434
Total external guarantee facilities approved at the end of the Reporting Period (A3)			9,365,000	Total actual balance of external guarantees at the end of the Reporting Period (A4)						1,103,864

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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	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related party guarantee or not
Subsidiaries of CIMC (with gearing ratio of over 70%)	27 March 2024 28 August 2024	19,500,000	1 January 2024	8,534,367	Warrantice	Nil	Partially secured	1-2 years	No	No
Subsidiaries of CIMC (with gearing ratio of less than 70%)	27 March 2024 28 August 2024	2,500,000	1 January 2024	1,976,000	Warrantice	Nil	Partially secured	1-2 years	No	No
CIMC Fortune Holdings Limited	27 March 2024	28,000,000	1 January 2024	16,583,930	Warrantice	Nil	Nil	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)			50,000,000	Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)						19,220,329
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)			50,000,000	Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)						27,094,297

Subsidiaries' guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related party guarantee or not
Guarantee of one subsidiary for another (with gearing ratio of over 70%)	27 March 2024 28 August 2024	14,682,000	1 January 2024	9,633,272	Warrantice	Nil	Partially secured	1-2 years	No	No
Guarantee of one subsidiary for another (with gearing ratio of less than 70%)	27 March 2024 28 August 2024	10,953,000	1 January 2024	2,369,553	Warrantice	Nil	Partially secured	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)			25,635,000	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)						11,941,892
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)			25,635,000	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)						12,002,825

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)	31,754,655
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)	40,200,986
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company			77.88%
Including:			
Guarantee balance provided to Shareholders, the de facto controller and related parties (D)			639,880
Debt guarantee balance provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)			34,984,526
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)			-
Total amount of the above three guarantees (D+E+F)			35,624,406
Guarantees which are not due but have incurred guarantee liability or are likely to incur joint settlement liability during the Reporting Period (if any)		Guarantees which are not due and have not incurred material guarantee liability or are likely to incur joint settlement liability during the Reporting Period	
Guarantees provided to the external parties in violation of the procedures (if any)			

Guarantees provided in a combined manner: No

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3. Entrusted Cash or Assets Management

(1) Entrusted Wealth Management

☒ Applicable ☐ Not Applicable

Unit: RMB100 million

Type	Source of funds for entrusted wealth management	Actual amount under entrusted wealth management	Outstanding balance	Overdue and unrecovered amount	Overdue and unrecovered amount for which impairment is provided
Bank's wealth management products	Funds in hand	58.00	–	–	–
Money market funds	Funds in hand	12.05	12.05	–	–
Total		70.05	12.05	–	–

(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

Existence of wealth management products with a single unsettled payment balance of over RMB50 million or overdue unpaid amounts at the end of the Reporting Period

☐ Yes ☐ No ☒ Not Applicable

4. Other Material Contracts

☐ Applicable ☒ Not Applicable

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XVI. EXPLANATION ON OTHER SIGNIFICANT EVENTS

1. On 16 November 2023, the Company held the nineteenth meeting of tenth session of the Board in 2023 to consider and approve the proposal of repurchasing a portion of A Shares by the total capital not exceeding RMB300 million (inclusive), but not falling below RMB200 million (inclusive), at the repurchase price of not more than RMB10.20 per share (inclusive). In January 2024, the Company repurchased a total of 24,645,550 A shares by way of centralized bidding trading at the maximum purchase price of RMB8.45 per share and the minimum purchase price of RMB7.73 per share, with the total capital amounting to RMB200,067,828.50 (exclusive of transaction fees). As at 31 January 2024, the Company completed the repurchase of a portion of A shares.
2. For the litigation and arbitration between the Group's eight subsidiaries including Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) and Tianjin CIMC Logistics Equipment Co., Ltd. (天津中集物流裝備有限公司) and GOODPACK IBC (SINGAPORE) PTE. LTD and GOODPACK PTE. LTD, as at 27 March 2025, the litigation case was suspended by the High Court of Singapore and the first trial has not yet been formally heard; the arbitral tribunal of the arbitration has been formed and has not yet been formally heard. The Group has engaged external legal advisers in respect of the aforesaid case. However, as the relevant legal proceeding is still at an early stage, the management believes that there are uncertainties in the timing and outcome of the conclusions to date, and the Group is unable to reliably estimate the amount of liabilities that may arise, if any. Therefore, the litigation constitutes a contingent liability of the Group, for which the Group has not made any provision in the financial statements and is unable to anticipate the possible impact on the Group's financial statements in the future at this stage. For details, please refer to note XIII.2 to "Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE" in this Report.
3. On 12 March 2024, the Company received a notification letter from Shenzhen Capital Group, the largest shareholder of the Company, that Shenzhen Capital Group proposed to transfer A shares of the Company held by it, representing 5.10% of the total share capital of the Company, under agreement through public solicitation of transferee(s). On 1 July 2024, as informed by Shenzhen Capital Group, it had confirmed that Shenzhen Liye Industrial Group Co., Ltd. ("**Liye Industrial**") was the transferee of the public solicitation of transfer according to announced rules and Shenzhen Capital Group had signed a share transfer agreement with Liye Industrial. Currently, the registration of share transfer in relation to the above public solicitation of transfer has been completed, and the transfer date is 14 August 2024. After the transfer, Shenzhen Capital Group remains as the largest shareholder of the Company.

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4. In responding to the guidelines of national policies and in view of the future development prospects of CIMC Enric, CIMC HK increased its shareholdings in CIMC Enric in the open market during the period from 27 September 2024 to 7 January 2025. Prior to the increase in shareholdings, the Company, through CIMC HK and its wholly-owned subsidiaries, aggregately held 1,371,016,211 shares in CIMC Enric, representing approximately 67.60% of the total issued shares of CIMC Enric. Following the increase in shareholdings, the Company, through CIMC HK and its wholly-owned subsidiaries, aggregately held 1,421,016,211 shares in CIMC Enric, representing approximately 70.060% of the total issued shares of CIMC Enric.
5. To further promote the flexible adjustment of the Group's debt structure and seize direct financing opportunities in the interbank market in a timely manner, on 10 October 2024, after consideration and approval at 12th meeting in 2024 of the tenth session of the Board, the Company applied to the National Association of Financial Market Institutional Investors for the unified registration of the issuance of multi-type debt financing instrument (the "DFI"), including super & short-term commercial papers, short-term commercial papers, medium-term notes, perpetual notes, asset-backed notes, green DFI and private placement notes, such that the Company will be able to issue such DFI at its discretion during the effective period. The registration and issuance size of each type under the DFI shall not exceed a total of RMB6.0 billion, which is subject to the limit as stated in the Notice of Registration Acceptance accepted by the National Association of Financial Market Institutional Investors. The registration and issuance of the DFI had been considered and approved at the second extraordinary general meeting for 2024 of the Company held on 12 November 2024.

	Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
1	Regarding repurchasing a portion of A Shares	2 January 2024, 15 January 2024, 2 February 2024 and 6 February 2024	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
2	Regarding the litigation and arbitration of the Company and its subsidiaries	1 March 2024	
3	Regarding proposal of the largest shareholder to transfer certain shares of the Company through public solicitation for transfer	12 March 2024, 15 May 2024, 1 July 2024 and 15 August 2024	
4	Regarding increasing shareholdings in a subsidiary	9 October 2024, 11 November 2024 and 8 January 2025	
5	Regarding the application to the National Association of Financial Market Institutional Investors for the registration and issuance of the DFI	10 October 2024 and 12 November 2024	

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XVII. SIGNIFICANT EVENTS OF SUBSIDIARIES

- During the Reporting Period, CIMC Vehicles made a conditional cash offer to buy back all of its H shares in issue (other than those held by the Company and its concert parties), and proposed to voluntarily withdraw the listing of H shares of CIMC Vehicles from the Hong Kong Stock Exchange. The listing of the H shares of CIMC Vehicles on the Hong Kong Stock Exchange was withdrawn with effect from 4:00 p.m. on Monday, 3 June 2024.
- On 28 June 2024, Advanced Manufacturing Industry Investment Fund (Limited Partnership), Future Industry Investment Co., Limited, the Company, CIMC HK and CIMC Offshore Holdings Limited ("**CIMC Offshore**") signed the Equity Transfer Agreement in respect of CIMC Offshore Holdings Limited. The signing parties unanimously agreed that Future Industry Investment Co., Limited will transfer its 15% equity interest held in CIMC Offshore to CIMC HK for the consideration for equity transfer of RMB12,805.7 thousand. At the same time, as the consideration for equity transfer is less than the sum of the consideration for the capital increase by introduction of strategic investor and annualised earnings calculated at 5.2% (compound interest), the Company and CIMC HK shall fulfill the obligation of making up for shortfall in the amount of RMB1,413,163.6 thousand. Upon completion of this equity transfer, CIMC HK will hold 100% equity interest in CIMC Offshore in aggregate, and CIMC Offshore will become a wholly-owned subsidiary of the Company.
- On 28 June 2024, CIMC LPT received the letter on "Approving the public transfer and quotation of shares of CIMC Liquid Process Technologies Co., Ltd. on the NEEQ" issued by the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司), approving the quotation of shares of CIMC LPT on the National Equities Exchange and Quotations (the "**NEEQ**"). The public transfer of CIMC LPT on the NEEQ has commenced on 8 August 2024. After the quotation of its shares on the NEEQ, CIMC LPT remains as a controlling subsidiary within the scope of the Company's consolidated statements, the independent listing status of the Company will not be affected, and the financial conditions, operating results and operation on a going concern basis of the Company will not be materially affected.

	Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
1	Regarding the conditional cash offer made by the controlling subsidiary CIMC Vehicles for the repurchase of H shares and the voluntary delisting of H shares	11 March 2024, 18 April 2024 and 30 May 2024	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
2	Progress update of capital increase by introduction of strategic investor of the subsidiaries	1 July 2024	
3	Regarding the quotation of shares of CIMC LPT, an indirectly controlling subsidiary, on the National Equities Exchange and Quotations	1 July 2024 and 7 August 2024	

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XVIII. SUBSEQUENT SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

✓Applicable ☐Not Applicable

- On 14 January 2025, the Company completed the issuance of the first tranche of super & short term commercial papers for 2025. The proceeds raised were fully received on 15 January 2025. The issuance amount was RMB1.0 billion, the issue rate was 1.76% per annum, and the term of issuance was 155 days. The proceeds raised were used to repay the Company's bank loans and debt financing instruments falling due. On 20 January 2025, the Company completed the issuance of the tranche I of medium-term notes for 2025 and the tranche II of medium-term notes for 2025. The proceeds raised were received on 21 January 2025. The issuance amounts were RMB2.0 billion in total, of which RMB0.6 billion was used to supplement working capital of the Company and its subsidiaries and RMB1.4 billion was used to repay the debt financing instruments at maturity of the Company.
- On 18 March 2025, as considered and approved by the sixth meeting of the tenth session of the Board in 2025, the Company entered into an agreement with China Merchants Industry Holdings Co., Ltd. ("**CMI**", together with its subsidiaries, "**CMI Group**") (the "**CMI Framework Agreement**"), under which, the Group will continue to sell goods to and receive services from CMI Group, and reaches an agreement with the party on annual caps for the continuing connected transactions/ordinary related-party transactions for the three years from 1 January 2025 to 31 December 2027. As CMI is a wholly-owned subsidiary of China Merchants Group, which in turn is a substantial shareholder of the Company, CMI Group is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, and the transactions between the Group and CMI Group under the CMI Framework Agreement constitute continuing connected transactions of the Company. Additionally, according to Chapter 6 of the Shenzhen Listing Rules, CMI Group is a related legal person of the Company, and the transactions between the Group and CMI Group under the CMI Framework Agreement constitute ordinary related-party transactions of the Group.

	Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
1	Regarding the completion of issuance of non-financial corporate debt financing instrument	15 January 2025 and 21 January 2025	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
2	Regarding the continuing connected transactions/ordinary related-party transactions with CMI Group	18 March 2025	

CHAPTER VIII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL DURING THE REPORTING PERIOD

1. Changes in Share Capital

Unit: Share

	Pre-movement		New issue	Bonus issue	Increase/decrease (+/-)		Sub-total	Post-movement	
	Numbers of shares	Percentage			Conversion from reserves	Others		Numbers of shares	Percentage
I. Shares with selling restrictions	1,275,349	0.02%	0	0	0	0	0	1,275,349	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	1,275,349	0.02%	0	0	0	0	0	1,275,349	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	1,275,349	0.02%	0	0	0	0	0	1,275,349	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	5,391,245,036	99.98%	0	0	0	0	0	5,391,245,036	99.98%
1. RMB-denominated ordinary shares	2,301,407,141	42.68%	0	0	0	0	0	2,301,407,141	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	3,089,837,895	57.30%	0	0	0	0	0	3,089,837,895	57.30%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	5,392,520,385	100.00%	0	0	0	0	0	5,392,520,385	100.00%

CHAPTER VIII CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Reasons for changes in shares

☐Applicable ☒Not applicable

Approval for changes in share capital

☐Applicable ☒Not applicable

Transfer for changes in shares

☐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

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

☐Applicable ☒Not applicable

CHAPTER VIII

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 restriction 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	667,849	0	0	667,849	Shares are subject to selling restrictions in accordance with relevant provisions of stock exchanges and clearing companies	Nil
Huang Tianhua	607,500	0	0	607,500	Same as above	Nil
Total	1,275,349	0	0	1,275,349		

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

For details of the changes in the asset and the liability structure of the Group during the Reporting Period, please refer to “(III) Assets and Liabilities” under “V. Analysis of Financial Data” in “Chapter IV Report of the Board and Management Discussion and Analysis” in this Report. For details of changes in the total number of shares and the shareholder structure of the Group during the Reporting Period, please refer to “1. Changes in Share Capital” in “I. Changes in Share Capital During the Reporting Period” and “III. Shareholders and De Facto Controller”.

3. Existing Employee Shares

☐ Applicable ☒ Not applicable

CHAPTER VIII

1. Number of Shareholders and Shareholdings of the Company

Unit: Share

Total ordinary Shareholders at the end of the Reporting Period		93,448	Total ordinary Shareholders at the end of the month prior to the publication date of Annual Report				90,889	
Shareholdings of the Shareholders who held 5% or above or the top ten Shareholders at the end of the Reporting Period (excluding the lending of shares through refinancing)								
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, marked or frozen shares Status	Number
HKSCC (Note 1)	Foreign legal person	58.19%	3,137,940,899	2,841,546	-	3,137,940,899	-	-
Shenzhen Liye Industrial Group Co., Ltd.	Domestic non- state-owned legal person	5.10%	275,018,595	275,018,595	-	275,018,595	-	-
Shenzhen Capital Group (Note 2)	State-owned legal person	4.64%	249,981,405	(275,018,595)	-	249,981,405	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. - Junxing No.10 Yiluo private equity investment fund	Others	1.06%	57,014,042	13,098,840	-	57,014,042	-	-
China Life Insurance Co., Ltd.-Traditional-Ordinary Insurance Products-005L-CT001Hu	Others	1.00%	54,044,423	42,551,479	-	54,044,423	-	-
Miao Yanfen (苗豔芬)	Domestic natural person	0.84%	45,122,786	-	-	45,122,786	-	-
Shanghai Yiluo Private Equity Fund Management Co., Ltd. - Jun'an No.9 Yiluo private equity investment fund	Others	0.78%	41,813,564	(22,659,058)	-	41,813,564	-	-
CITIC Prudential Life Insurance Co., Ltd.-participating products (Note 3)	Others	0.55%	29,599,947	-	-	29,599,947	-	-
Agricultural Bank of China Limited-CSI 500 Trading Open- ended Index Securities Investment Fund	Others	0.48%	25,861,466	15,897,900	-	25,861,466	-	-
Fu Xuan (付璇)	Domestic natural person	0.45%	24,114,842	1,457,960	-	24,114,842	-	-
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	Saved as disclosed in Notes 1-3, the Company is not aware of any related relationship among other shareholders, or whether they are persons acting in concert.							
Explanation on above Shareholders' delegation of/being entrusted with and waiver of voting rights	Not applicable							
Special explanation on the existence of repurchase dedicated accounts among the top ten Shareholders (if any)	As at 31 December 2024, the Company held 24,645,550 shares through its special repurchase dedicated securities account, representing 0.46% of the total share capital of the Company, which were excluded from the listing of the top ten Shareholders in accordance with the requirements.							

CHAPTER VIII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Shareholdings of top ten Shareholders of shares without selling restrictions as at the end of the Reporting Period
(excluding the lending of shares through refinancing, shares subject to selling restrictions held by executives)

Name of Shareholders	Number of shares held without selling restrictions at the end of the Reporting Period	Types of shares	
		Types of shares	Number
HKSCC (Note 1)	3,089,648,945	Overseas listed foreign shares	3,089,648,945
	48,291,954	RMB ordinary shares	48,291,954
Shenzhen Liye Industrial Group Co., Ltd.	275,018,595	RMB ordinary shares	275,018,595
Shenzhen Capital Group (Note 2)	249,981,405	RMB ordinary shares	249,981,405
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No.10 Yiluo private equity investment fund	57,014,042	RMB ordinary shares	57,014,042
China Life Insurance Co., Ltd.-Traditional-Ordinary Insurance Products-005L-CT001Hu	54,044,423	RMB ordinary shares	54,044,423
Miao Yanfen (苗艷芬)	45,122,786	RMB ordinary shares	45,122,786
Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund	41,813,564	RMB ordinary shares	41,813,564
CITIC Prudential Life Insurance Co., Ltd.-participating products (Note 3)	29,599,947	RMB ordinary shares	29,599,947
Agricultural Bank of China Limited-CSI 500 Trading Open- ended Index Securities Investment Fund	25,861,466	RMB ordinary shares	25,861,466
Fu Xuan (付璇)	24,114,842	RMB ordinary shares	24,114,842

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CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Shareholdings of top ten Shareholders of shares without selling restrictions as at the end of the Reporting Period (excluding the lending of shares through refinancing, shares subject to selling restrictions held by executives)

Description of the connected relationship or concerted actions between the top 10 Shareholders of tradable shares not subject to selling restrictions, and between the top 10 Shareholders of tradable shares not subject to selling restrictions and the top 10 Shareholders	Saved as disclosed in Notes 1-3, the Company is not aware of any related relationship among other shareholders, or whether they are persons acting in concert.
Information on the top 10 ordinary Shareholders participating in the margin trading and securities lending business (if any)	<ol style="list-style-type: none"> 1. Shenzhen Liye Industrial Group Co., Ltd., in addition to holding 225,018,595 shares through its general securities account, also held 50,000,000 shares through its client account of collateral securities for margin trading at Huatai Securities Co., Ltd. (华泰证券股份有限公司), totaling 275,018,595 shares. 2. Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Junxing No.10 Yiluo private equity investment fund, in addition to holding 3,416,972 shares through its general securities account, also held 53,597,070 shares through its client account of collateral securities for margin trading at Haitong Securities Co., Ltd. (海通证券股份有限公司), totaling 57,014,042 shares. 3. Shanghai Yiluo Private Equity Fund Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund, in addition to holding 12,323,164 shares through its general securities account, also held 29,490,400 shares through its client account of collateral securities for margin trading at CSC Financial Co., Ltd. (中信建投证券股份有限公司), totaling 41,813,564 shares. 4. Fu Xuan (付璇), in addition to holding 16,860,242 shares through its general securities account, also held 7,254,600 shares through its client account of collateral securities for margin trading at Haitong Securities Co., Ltd. (海通证券股份有限公司), totaling 24,114,842 shares.

Note 1: As at 31 December 2024, HKSCC holds 3,137,940,899 shares of the Company, comprising 48,291,954 A shares held by Hong Kong Securities Clearing Company Limited, being the nominal holder of the A shares held by the non-registered shareholders of the Company, and 3,089,648,945 H shares held by HKSCC NOMINEES LIMITED, being the nominal holder of the H shares held by the non-registered shareholders of the Company. The H shares registered under HKSCC NOMINEES LIMITED include (but not limited to) 1,320,643,830 H shares held by China Merchants Group through its subsidiaries (including China Merchants (CIMC) Investment etc.), and the 1,078,634,297 H shares directly held by Shenzhen Capital Group through its wholly-owned subsidiary Shenzhen Capital (Hong Kong) and the 265,990,770 H shares held by CITIC Prudential Life Insurance Co., Ltd.

Note 2: As at 31 December 2024, Shenzhen Capital Group held 1,078,634,297 H shares of the Company which were registered under HKSCC NOMINEES LIMITED (see note 1 above) and 249,981,405 A shares of the Company.

Note 3: As at 31 December 2024, CITIC-Prudential Life Insurance Co., Ltd. held 29,599,947 A shares of the Company and another 265,990,770 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 VIII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Particulars of participation of Shareholders holding more than 5% of shares, the top 10 Shareholders and the top 10 Shareholders of tradable shares not subject to selling restrictions in lending shares through refinancing✓Applicable ☐Not applicable

Unit: Share

Particulars of participation of Shareholders holding more than 5% of shares, the top 10 Shareholders and the top 10 Shareholders of tradable shares not subject to selling restrictions in lending shares through refinancing

Name of Shareholder (full name)	Number of shares held by general account and credit account at the beginning of the Reporting Period		Number of shares lent and not returned through refinancing at the beginning of the Reporting Period		Number of shares held by general account and credit account at the end of the Reporting Period		Number of shares lent and not returned through refinancing at the end of the Reporting Period	
	% of total		% of total		% of total		% of total	
	Total	share capital	Total	share capital	Total	share capital	Total	share capital
Agricultural Bank of China Limited-CSI 500 Trading Open-ended Index Securities Investment Fund	9,963,566	0.18%	2,983,600	0.06%	25,861,466	0.48%	-	-

Changes in the top 10 shareholders and the top 10 Shareholders of tradable shares not subject to selling restrictions from the end of the third quarter of 2024 due to share lending/returning of refinancing☐Applicable ✓Not applicable**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.

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CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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)	Shi Lan	22 September 2020	HK\$50,000	Investment
China Merchants (CIMC) Investment	Mei Xianzhi	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. The Cumulative Number of Shares Pledged by the Controlling Shareholder or the Largest Shareholder of the Company and Parties Acting in Concert with it Reaches 80% of the Number of Shares Held by Them

☐ Applicable ☒ Not applicable

5. Other Corporate Shareholders with a Shareholding above 10%

☐ Applicable ☒ Not applicable

6. Restrictions on Decrease in Shareholding by Controlling Shareholders, De Facto Controller, Re-organising Parties and Other Undertaking Parties

☐ Applicable ☒ Not applicable

CHAPTER VIII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

IV. REPURCHASE OF SHARES DURING THE REPORTING PERIOD

Progress in the repurchase of shares

☒ Applicable ☐ Not applicable

Time of disclosure	Number of shares to be repurchased	% of total share capital	Amount to be repurchased	Period of proposed repurchase	Repurchase purpose	Number of shares repurchased	% of the repurchase number of shares to the underlying shares involved in the equity incentive plan (if any)
16 November 2023	19.6078 million shares to 29.4118 million shares	0.36% to 0.55%	Not exceed RMB300 million (inclusive) and shall be no less than RMB200 million (inclusive)	Within 3 months from the date on which the Board considered and approved the plan of the repurchase of shares	The share repurchase is a necessary measure to protect the value of the Company and interests of shareholders and all repurchased shares will be used for sale. In the event that there is a subsequent use for employee share ownership plans or equity incentive schemes, consideration may be given to adjusting the use of portion of the repurchased shares to employee share ownership plans or equity incentive schemes. The Company will fulfill the relevant deliberation process and information disclosure obligations in a timely manner in respect of the subsequent adjustments, if any	24,645,550 shares	Not applicable

Progress in reduction in the holding of repurchased shares by way of call auction

☐ Applicable ☒ Not applicable

CHAPTER VIII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

So far as the directors are aware, as at 31 December 2024, 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 shares	Number of shares	Capacity	Percentage of such shares in the issued shares of the same class (%)	Percentage of such shares in the total issued shares (%)
Shenzhen Capital Group (Note 1)	A Shares	249,981,405 (L)	Interest of corporation controlled by the substantial shareholder	10.86%	4.64%
	H Shares	1,078,634,297 (L)	Interest of corporation controlled by the substantial shareholder	34.91%	20.00%
China Merchants Group (Note 2)	H Shares	1,320,643,830 (L)	Interest of corporation controlled by the substantial shareholder	42.74%	24.49%
CITIC Prudential Life Insurance Co., Ltd.	A Shares	29,599,947 (L)	Beneficial holder	1.29%	0.55%
	H Shares	265,990,770 (L)	Beneficial holder	8.61%	4.93%
Shenzhen Liye Industrial Group Co., Ltd.	A Shares	275,018,595 (L)	Beneficial holder	11.94%	5.10%

(L) Long position

Note 1: As at 31 December 2024, Shenzhen Capital Group has an interest in A Shares of the Company, being 249,981,405 A Shares (L), and holds an interest in H Shares of the Company, being 1,078,634,297 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: As at 31 December 2024, China Merchants Group Limited (招商局集團有限公司), through its subsidiaries (including China Merchants (CIMC) Investment etc.), holds an interest in the H Shares of the Company, and all the 1,320,643,830 H Shares long position (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 2024, 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 VIII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Information on Substantial Shareholders

The Company has no controlling shareholder or de facto controller, and there was no change during the Reporting Period. As at the end of the Reporting Period, the substantial shareholders of the Company are Shenzhen Capital Group and China Merchants Group.

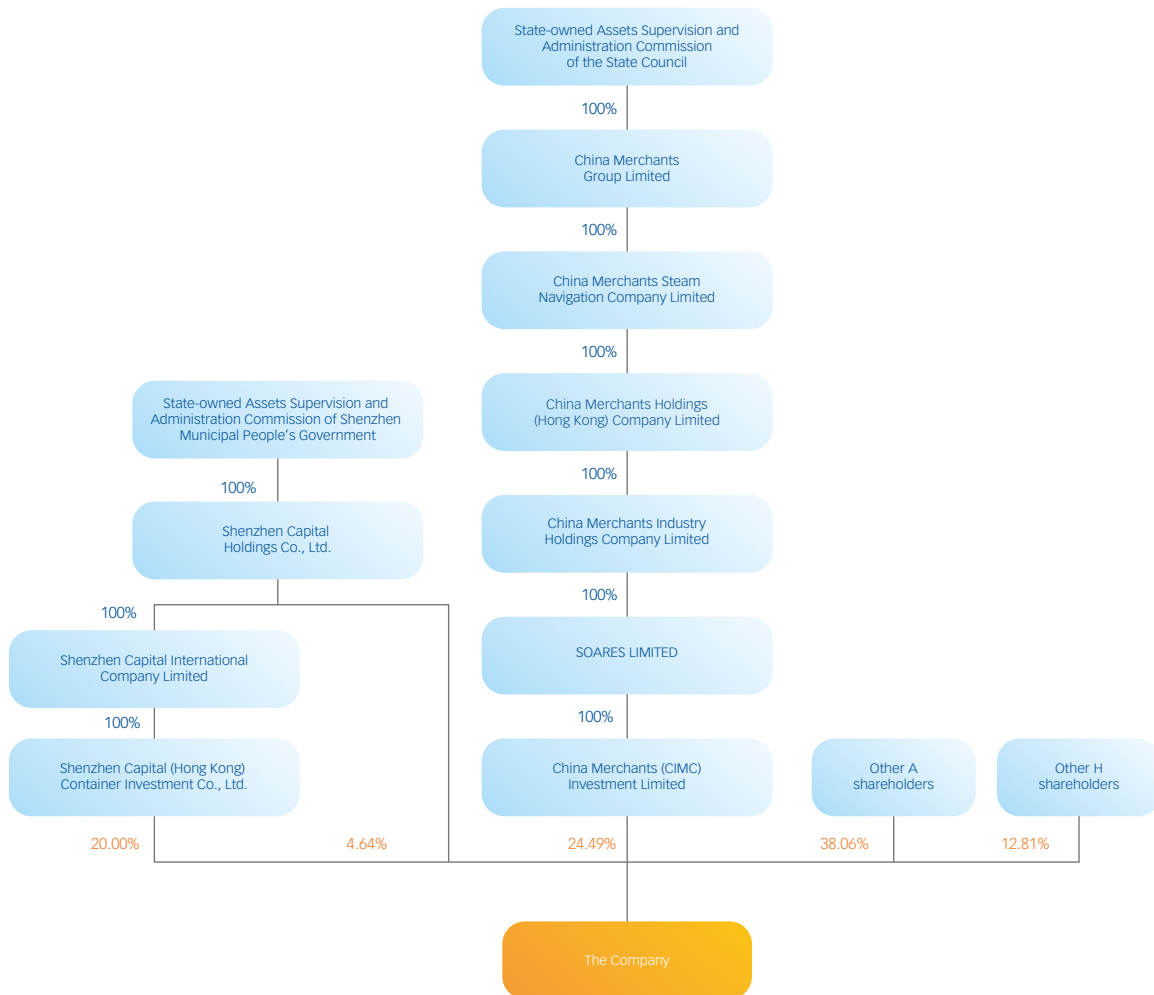
Shenzhen Capital Group was incorporated in the PRC in June 2007 with a registered capital of RMB15.52 billion and Mr. Hu Guobin as its legal representative. Shenzhen Capital Group is the only state-owned municipal capital operation company in Shenzhen and one of the five municipal enterprises in Shenzhen 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 capitalization 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 24.64% of the issued shares of the Company and was the largest shareholder of the Company.

Founded in 1872, a time when China was undergoing the Westernisation Movement, and headquartered in Hong Kong, China Merchants is one of the earliest Chinese enterprises established and operated in Hong Kong, and is a century-old centralized enterprise, integrated centralized enterprise, and centralized enterprise based in Hong Kong. China Merchants Group’s main business focuses on transportation and logistics, comprehensive finance, real estate park, and technology and innovation. As at the end of the Reporting Period, China Merchants Group through its subsidiary 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 the 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).

CHAPTER VIII CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

VI. CHART OF SHAREHOLDING STRUCTURE BETWEEN THE COMPANY AND THE SUBSTANTIAL SHAREHOLDERS AS AT 31 DECEMBER 2024



VII. 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 the requirements for the minimum public float under the Hong Kong Listing Rules.

VIII. RELEVANT INFORMATION ABOUT PREFERRED SHARES

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

CHAPTER IX

BONDS

☒ Applicable ☐ Not applicable

I. CORPORATE BONDS

☐ Applicable ☒ Not applicable

During the Reporting Period, there were no corporate bonds of the Company.

II. CORPORATION BONDS

☐ Applicable ☒ Not applicable

III. NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT

☒ Applicable ☐ Not applicable

CHAPTER IX
BONDS

1. BASIC INFORMATION OF NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT

As at 27 March 2025, the basic information of non-financial corporate debt financing instrument in existence is as follows:

Unit: RMB100 million

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Value date	Maturity date	Balance of Bonds	Interest rate	Method to repay principal and pay interest	Trading places
The 2025 Second Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	25 Hai Yun Ji Zhuang MTN002 (Technology Innovation Instrument)	102580408.IB	2025/1/20	2025/1/21	2028/1/21	10	1.97%	The interest of this medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2025 First Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	25 Hai Yun Ji Zhuang MTN001 (Technology Innovation Instrument)	102580407.IB	2025/1/20	2025/1/21	2028/1/21	10	1.95%	The interest of this medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2025 First Tranche of Super & Short-term Commercial Papers of China International Marine Containers (Group) Co., Ltd.	25 Hai Yun Ji Zhuang SCP001	012580172.IB	2025/1/14	2025/1/15	2025/6/19	10	1.76%	The principal and interest of this super & short-term commercial papers are paid in a lump sum on the maturity date	Shanghai Clearing House
The 2024 Second Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	24 Hai Yun Ji Zhuang MTN002 (Technology Innovation Instrument)	102481221.IB	2024/3/26	2024/3/28	2029/3/28	20	2.81%	The interest of this medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2024 First Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	24 Hai Yun Ji Zhuang MTN001 (Technology Innovation Instrument)	102481100.IB	2024/3/20	2024/3/22	No fixed expiry date	20	2.78%	The interest of the Bonds is paid in installments annually if the issuer does not exercise the right of deferred payment of interest. There is no definite principal repayment date for the bonds, and the issuer will repay the principal and all outstanding interest on the redemption date	Shanghai Clearing House
The 2022 First Tranche of Green Medium-term Notes (Blue Bonds) of China International Marine Containers (Group) Co., Ltd.	22 Hai Yun Ji Zhuang GN001 (Blue Bonds)	132280052.IB	2022/5/30	2022/6/1	2025/6/1	5	2.60%	The interest of this medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House

CHAPTER IX BONDS

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Value date	Maturity date	Balance of Bonds	Interest rate	Method to repay principal and pay interest	Trading places
The 2024 First Tranche of Super & Short-term Commercial Papers of CIMC Enric Holdings Limited	24 An Rui Ke Kong SCP001	012483060.IB	2024/9/12	2024/9/13	2025/6/10	5	2.02%	The principal and interest of this super & short-term commercial papers are paid in a lump sum on the maturity date	Shanghai Clearing House
The 2024 Second Medium-term Notes of CIMC Enric Holdings Limited	24 An Rui Ke Kong MTN002	102483997.IB	2024/9/9	2024/9/11	2029/9/11	15	2.37%	The interest of this medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
The 2024 First Medium-term Notes of CIMC Enric Holdings Limited	24 An Rui Ke Kong MTN001	102481669.IB	2024/4/22	2024/4/24	2027/4/24	5	2.43%	The interest of this medium-term notes is paid annually and the principal is paid in a lump sum on the maturity date	Shanghai Clearing House
Arrangement to ensure the suitability of investors (if any)			Offered to the investors by means of the public issue						
Applicable trading mechanism			On-exchange transaction						
Risk of delisting (if any) and countermeasures			No						

OVERDUE BONDS

☐ Applicable ☒ Not Applicable

2. TRIGGERING AND ENFORCEMENT OF ISSUER OR INVESTOR OPTION ARTICLES AND INVESTOR PROTECTION PROVISIONS

☐ Applicable ☒ Not Applicable

CHAPTER IX
BONDS

3. INTERMEDIARY

Type of intermediaries	Name of intermediaries
Underwriters	Bank of China Limited, Bank of Communications Co., Ltd., Ping An Bank Co., Ltd., China Merchants Bank Co., Ltd., China Construction Bank Corporation, Postal Savings Bank of China Co., Ltd., Industrial and Commercial Bank of China Limited, China Guangfa Bank Co., Ltd., Bank of Shanghai Co., Ltd., Agricultural Bank of China Limited, The Export-Import Bank of China, CITIC Securities Company Limited, Shanghai Pudong Development Bank Co., Ltd., Industrial Bank Co., Ltd., Bank of Ningbo Co., Ltd., etc.
Lawyers	Grandall Law Firm (Shenzhen), China Commercial Law Firm, Zhong Lun Law Firm, Appleby, etc.
Accountants	PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, etc.
Credit rating agency	China Chengxin International Credit Rating Co., Ltd.

The business address, contact, tel of contact and other detailed information of aforesaid intermediaries, please refer to the announcement of the Company published at the websites of Shanghai Clearing House (www.shclearing.com) and China Money (www.chinamoney.com.cn).

Whether the above-mentioned intermediaries changed or not during the Reporting Period

☐ Yes ☒ No

CHAPTER IX BONDS

4. USE OF PROCEEDS

The use of proceeds as at 31 December 2024 from the non-financial corporate debt financing instrument in existence as at 27 March 2025 are as follows:

Unit: RMB100 million

Name of Bonds	Total proceeds	Intended use of proceeds	Utilized amounts	Unutilized amounts	Operation of special account for proceeds (if any)	Rectification of illegal utilization of proceeds (if any)	Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus
The 2024 Second Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	20.00	RMB510 million will be used to supplement the liquidity of the Company and its subsidiaries, and RMB1,490 million will be used to the debt repayment of financial institutions by the Company	20.00	0.00	Not applicable	Not applicable	Yes
The 2024 First Tranche of Medium-term Notes (Technology Innovation Instrument) of China International Marine Containers (Group) Co., Ltd.	20.00	RMB300 million will be used to supplement the liquidity of the Company and its subsidiaries, and RMB1,700 million will be used to the repayment of bank borrowings by the Company	20.00	0.00	Not applicable	Not applicable	Yes
The 2022 First Tranche of Green Medium-term Notes (Blue Bonds) of China International Marine Containers (Group) Co., Ltd.	5.00	For the construction cost of equipment relevant to the offshore wind power (offshore wind power installation vessel)	5.00	0.00	Normal	Not applicable	Yes
The 2024 First Tranche of Super & Short-term Commercial Papers of CIMC Enric Holdings Limited	5.00	For the repayment of overseas convertible bond of Enric	5.00	0.00	Not applicable	Not applicable	Yes
The 2024 Second Medium-term Notes of CIMC Enric Holdings Limited	15.00	RMB100 million will be used to the repayment of overseas convertible bond of Enric, RMB400 million for the repayment of interest-bearing debts of Enric and its subsidiaries, and RMB100 million for the supplement of liquidity	15.00	0.00	Not applicable	Not applicable	Yes
The 2024 First Medium-term Notes of CIMC Enric Holdings Limited	5.00	RMB187 million will be used to the repayment of interest-bearing debts of Enric and its subsidiaries, and RMB313 million will be used to the supplement of working capital	4.71	0.29	Not applicable	Not applicable	Yes

Proceeds for construction projects

☐ Applicable ☒ Not Applicable

Change of abovementioned use of proceeds from bond offering during the Reporting Period

☐ Applicable ☒ Not Applicable

CHAPTER IX
BONDS**5. ADJUSTMENT OF CREDIT RATING RESULTS DURING THE REPORTING PERIOD**☐ Applicable ☒ Not Applicable**6. IMPLEMENTATION AND CHANGES IN THE STATUS OF GUARANTEES, DEBT PAYMENT SCHEDULE AND OTHER DEBT REPAYMENT SAFEGUARD MEASURES DURING THE REPORTING PERIOD AND THE IMPACT ON THE INTERESTS OF BOND INVESTORS**☐ Applicable ☒ Not Applicable**IV. CONVERTIBLE CORPORATE BONDS**☐ Applicable ☒ Not Applicable

The Company did not have any convertible corporate bonds during the Reporting Period. For details of the 5-year zero-coupon convertible bonds issued by Enric, a subsidiary of the Group, please refer to Note V.38 to “Chapter X Financial Statements and Audit Report Prepared in Accordance with CASBE” in this Report.

V. LOSS IN THE SCOPE OF THE CONSOLIDATED STATEMENTS DURING THE REPORTING PERIOD EXCEEDS 10% OF NET ASSETS AT THE END OF THE PREVIOUS YEAR☐ Applicable ☒ Not Applicable**VI. OVERDUE OF INTEREST-BEARING DEBTS OTHER THAN BONDS AT THE END OF THE REPORTING PERIOD**☐ Applicable ☒ Not Applicable**VII. WHETHER THERE IS ANY VIOLATION OF RULES AND REGULATIONS DURING THE REPORTING PERIOD**☐ Yes ☒ No

CHAPTER IX

BONDS

VIII. MAJOR ACCOUNTING DATA AND FINANCIAL INDEXES OF THE COMPANY FOR THE RECENT TWO YEARS AS AT THE END OF THE REPORTING PERIOD

Items	As at the end of the Reporting Period	As at the end of last year	Percentage of change
Current ratio	1.25	1.12	11.61%
Gearing ratio	61%	60%	1.00%
Quick ratio	0.91	0.77	18.18%

	During the Reporting Period	During the same period of last year	Percentage of change
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss (RMB thousand)	3,450,704	665,302	418.67%
Debt-to-EBITDA ratio	0.33	0.21	57.14%
Interest coverage ratio	4.20	2.36	77.97%
Cash interest coverage ratio	5.84	4.70	24.26%
EBITDA interest coverage ratio	6.38	4.13	54.48%
Loan repayment ratio	100%	100%	0.00%
Interest repayment ratio	100%	100%	0.00%

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE



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To the Shareholders of China International Marine Containers (Group) Co., Ltd.,

I. OPINION

We have audited the financial statements of China International Marine Containers (Group) Co., Ltd. ("**CIMC Group**"), which comprise the consolidated and company balance sheets as at 31 December 2024, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of CIMC Group as at 31 December 2024, and the consolidated and company financial performance and cash flows of CIMC Group for the year then ended in accordance with Accounting Standards for Business Enterprises (hereinafter the "**Accounting Standards for Business Enterprises**") issued by the Ministry of Finance of the People's Republic of China.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("**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 are independent of CIMC Group in accordance with the China Code of Ethics for Certified Public Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessing impairment of offshore engineering assets

Refer to Notes III.11 Accounting policies for inventories, III.20 Accounting policies for impairment of long-term assets, III.34(2)(b) and (c) Impairment of long-term assets and Provision for impairment of inventories under Critical accounting estimates and key assumptions, V.9 Inventories and V.16 Fixed assets to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2024, the book value of offshore engineering assets under inventories in the consolidated financial statements of CIMC Group was RMB1,182,694,000, the impairment provision was RMB585,374,000, with an impairment loss of RMB74,433,000 recognised in year 2024. The net book value of offshore engineering assets under fixed assets was RMB21,071,276,000, the impairment provision was RMB10,619,531,000, with no impairment loss recognised in year 2024.	<p>Our audit procedures to assess the impairment of offshore engineering assets included the following:</p> <ol style="list-style-type: none"> 1. Understand and evaluate the design and operation effectiveness of key financial reporting internal controls related to impairment of offshore engineering assets; 2. Perform the following procedures on the net realisable value of inventories: <ol style="list-style-type: none"> 1) Evaluate whether management's policies for the provision for impairment of inventories comply with the Accounting Standards for Business Enterprises; 2) Attend and observe the stocktaking of CIMC Group's year-end offshore engineering inventory items, check the count quantity on a sampling basis, and observe the status of inventories to identify damaged items (if any);

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III. KEY AUDIT MATTERS (Continued)

Assessing impairment of offshore engineering assets (Continued)

Refer to Notes III.11 Accounting policies for inventories, III.20 Accounting policies for impairment of long-term assets, III.34(2)(b) and (c) Impairment of long-term assets and Provision for impairment of inventories under Critical accounting estimates and key assumptions, V.9 Inventories and V.16 Fixed assets to the financial statements.

The Key Audit Matter

How the matter was addressed in our audit

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 less the estimated costs of completion (if any) and the estimated costs necessary to make the sale including relevant taxes. In determining the net realisable value, management considers the purpose for which the inventory is held, and makes judgements and estimates on the estimated selling price, the rate of selling expenses and the estimated costs of completion based on the market selling prices of the same or similar products.

At the balance sheet date, management determines whether there is any indication of potential impairment of fixed assets. For fixed assets with indication of impairment, management compares the carrying amount of the asset with its recoverable amount to determine its impairment loss amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of its expected future cash flows.

2. Perform the following procedures on the net realisable value of inventories (Continued):
 - 3) Obtain the schedule on provision for impairment of inventories, select inventory items on a sampling basis, and evaluate the rationality of the key assumptions adopted by management in calculating the net realisable value, including: i) reviewing management's forecast of the estimated selling price, and comparing the estimated selling price with the market transaction prices of the same or similar products; ii) evaluating the rationality of the estimated costs of completion and the estimated costs necessary to make the sale including relevant taxes;
3. Perform the following procedures on the recoverable amount of fixed assets:
 - 1) Involve KPMG valuation specialists to evaluate the appropriateness of the methodology adopted by management in estimating the present value of the expected future cash flows and the rationality of the discount rate applied;
 - 2) Based on the rent, market demand, utilisation rate and maintenance expense rate of similar platforms owned by CIMC Group, evaluate the rationality of the rent, utilisation rate and costs & expenditures for the forecast period used by management in determining the present value of expected future cash flows;

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III. KEY AUDIT MATTERS (Continued)

Assessing impairment of offshore engineering assets (Continued)

Refer to Notes III.11 Accounting policies for inventories, III.20 Accounting policies for impairment of long-term assets, III.34(2)(b) and (c) Impairment of long-term assets and Provision for impairment of inventories under Critical accounting estimates and key assumptions, V.9 Inventories and V.16 Fixed assets to the financial statements.

The Key Audit Matter**How the matter was addressed in our audit**

With the assistance of an independent external evaluation agency engaged, management determines the present value of the expected future cash flows of the special equipment for offshore engineering. Such determination of the expected future cash flows involves significant management judgement and estimates, especially the estimates regarding key assumptions such as rent, utilisation rate, costs & expenditures and discount rate for the forecast period.

We identified assessing impairment of offshore engineering assets as a key audit matter, given the materiality of the offshore engineering assets, and the fact that the determination of provision for impairment of inventories and the impairment test of fixed assets involve significant management judgement and estimates, and may be subject to management bias.

3. Perform the following procedures on the recoverable amount of fixed assets (Continued):
 - 3) Perform sensitivity analysis on key assumptions such as rent, utilisation rate, costs & expenditures and discount rate for the forecast period, evaluate the impact of changes in key assumptions on the conclusion of impairment test, and whether there is any sign of management bias;
 - 4) Compare the key assumptions adopted by management in estimating the present value of expected future cash flows in the previous year with the actual operating results of the current year, and evaluate whether there is any sign of management bias;
 - 5) Evaluate whether the disclosure of the impairment of fixed assets and the key assumptions adopted in the financial statements meet the requirements of the Accounting Standards for Business Enterprises.

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III. KEY AUDIT MATTERS (Continued)

Provision for bad and doubtful debts of accounts receivable

Refer to Notes III.10 Accounting policies for financial instruments, III.34(1)(a) Key judgements in applying the accounting policies, III.34(2)(a) Measurement of expected credit losses under Critical accounting estimates and key assumptions, and V.5 Accounts receivable to the financial statements.

The Key Audit Matter

As at 31 December 2024, the book value of accounts receivable in the consolidated financial statements of CIMC Group was RMB33,271,005,000, the provision for bad and doubtful debts was RMB1,615,187,000.

The provision for bad and doubtful debts of accounts receivable is measured at an amount equal to lifetime expected credit losses (“**ECLs**”), referring to the expected credit loss rate for each group type of accounts receivable segmented by management based on their credit risk characteristics. The ECLs rate takes account of the ageing of accounts receivable, the historical credit loss experience of CIMC Group’s customers, current conditions and forward-looking information. Such assessment involves management judgement and estimates.

How the matter was addressed in our audit

Our audit procedures to assess the provision for bad and doubtful debts of accounts receivable included the following:

1. Understand and evaluate the design and operation effectiveness of key financial reporting internal controls related to provision for bad and doubtful debts of accounts receivable;
2. Evaluate whether CIMC Group’s accounting policies of provision for bad and doubtful debts comply with the Accounting Standards for Business Enterprises;
3. Select items to be tested from the ageing analysis report of accounts receivable and verify them to underlying documents to evaluate the accuracy of ageing range division in the ageing analysis report of accounts receivable;
4. Understand management’s basis for determining the recoverability of accounts receivable individually assessed for provision for bad and doubtful debts, inquire and understand customers’ operation and management’s communication with customers, so as to evaluate the rationality of management’s judgement on the provision for bad and doubtful debts of accounts receivable;
5. Understand the key parameters and assumptions adopted by management in the expected credit loss model, including management’s judgement on grouping accounts receivable based on customers’ shared credit risk characteristics, and the historical loss data included in management’s expected credit loss rate;

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III. KEY AUDIT MATTERS (Continued)

Provision for bad and doubtful debts of accounts receivable (Continued)	
Refer to Notes III.10 Accounting policies for financial instruments, III.34(1)(a) Key judgements in applying the accounting policies, III.34(2)(a) Measurement of ECLs under Critical accounting estimates and key assumptions, and V.5 Accounts receivable to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
We identified provision for bad and doubtful debts of accounts receivable as a key audit matter, as the balance of accounts receivable is material, and the determination of provision for bad and doubtful debts of accounts receivable involves management judgement and is subject to inherent uncertainty.	6. Evaluate the appropriateness of management’s estimates on expected credit loss by checking the information used by management in making such estimates, including testing the accuracy of historical loss data, evaluating whether the historical loss rate is properly adjusted based on current economic conditions and forward-looking information;
	7. Recalculate the provision for bad and doubtful debts as at 31 December 2024 based on the accounting policies of CIMC Group for provision for expected credit loss.

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III. KEY AUDIT MATTERS (Continued)

Impairment of goodwill

Refer to Notes III.20 Accounting policies for impairment of long-term assets, III.34(2)(b) Impairment of long-term assets under Critical accounting estimates and key assumptions, and V.20 Goodwill to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2024, the book value of the goodwill in the consolidated financial statements of CIMC Group was RMB3,172,370,000, the impairment provision was RMB655,258,000, with an impairment of goodwill of RMB130,744,000 recognised in year 2024.</p> <p>Management conducts impairment test on goodwill at each year-end. By comparing the carrying amount of the asset group to which the goodwill is allocated with its recoverable amount, management determines whether it is necessary to make provision for impairment. The recoverable amount is the higher of the fair value of the asset group less costs of disposal and the present value of its expected future cash flows. The determination of the present value of the expected future cash flows involves significant management judgement and estimates, especially the estimates regarding key assumptions such as revenue growth rate, gross profit margin and discount rate.</p>	<p>Our audit procedures to assess the impairment of goodwill included the following:</p> <ol style="list-style-type: none"> 1. Understand and evaluate the design and operation effectiveness of financial reporting key internal controls related to impairment of goodwill; 2. Based on our understanding of CIMC Group's business, evaluate whether management's identification of relevant asset groups, the method for allocating goodwill to relevant asset groups and the method used to determine the recoverable amount comply with the Accounting Standards for Business Enterprises; 3. Involve KPMG valuation specialists to evaluate the appropriateness of the methodology adopted by management in estimating the present value of the expected future cash flows of relevant asset groups and the reasonableness of the discount rate applied; 4. Based on our understanding of the industry in which CIMC Group operates, and taking into account the historical performance, financial budget and other external information of relevant asset groups, evaluate the reasonableness of the key assumptions such as revenue growth rate and gross profit margin adopted by management in determining the present value of expected future cash flows; 5. Perform sensitivity analysis on key assumptions such as discount rate, evaluate the impact of changes in key assumptions on the conclusion of impairment test, and whether there is any sign of management bias;

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III. KEY AUDIT MATTERS (Continued)

Impairment of goodwill (Continued)

Refer to Notes III.20 Accounting policies for impairment of long-term assets, III.34(2)(b) Impairment of long-term assets under Critical accounting estimates and key assumptions, and V.20 Goodwill to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
We identified the impairment of goodwill as a key audit matter, as the goodwill impairment test involves significant management estimates and judgements, which are inherently uncertain and may be subject to management bias.	<p>6. Compare the relevant assumptions adopted by management in the goodwill impairment test in the previous year with the actual operating results of the relevant asset groups for the current year, and evaluate whether there is any sign of management bias;</p> <p>7. Evaluate the rationality of management's assessment of the fair value and disposal costs of relevant asset groups;</p> <p>8. Evaluate whether the disclosure of the impairment of goodwill and the key assumptions adopted in the financial statements meet the requirements of the Accounting Standards for Business Enterprises.</p>

IV. OTHER INFORMATION

CIMC Group's management is responsible for the other information. The other information comprises all the information included in 2024 annual report of CIMC Group, 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.

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V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CIMC Group'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 intends to liquidate CIMC Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CIMC Group's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 judgement and maintain professional scepticism throughout the audit. We also:

- (I) 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.
- (II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (IV) 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 Group'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 the 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 Group to cease to continue as a going concern.

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VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

- (V) 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.
- (VI) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CIMC Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, 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.

KPMG Huazhen LLP

Certified Public Accountants
Registered in the People's
Republic of China

Ma Yuchong
(Engagement Partner)

Beijing, China
27 March 2025

Chen Lijia

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

CONSOLIDATED BALANCE SHEET

	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets:			
Cash at bank and on hand	V.1	21,621,312	21,324,451
Financial assets held for trading	V.2	1,359,120	337,756
Derivative financial assets	V.3	11,142	301,355
Notes receivables	V.4	767,723	732,199
Accounts receivable	V.5	31,655,818	22,949,473
Receivables financing	V.6	1,146,071	1,062,258
Other receivables	V.7	4,823,889	4,569,110
Advances to suppliers	V.8	7,048,965	8,483,630
Inventories	V.9	19,735,685	19,200,102
Contract assets	V.10	9,752,290	7,198,173
Assets held for sale		—	402,175
Non-current assets due within one year		79,524	77,490
Other current assets	V.11	2,761,886	1,801,804
Total current assets		100,763,425	88,439,976
Non-current assets:			
Other equity investments	V.12	1,947,831	2,168,803
Other non-current financial assets	V.13	416,495	454,324
Long-term receivables		51,853	53,525
Long-term equity investments	V.14	12,016,874	11,996,856
Investment properties	V.15	1,351,285	1,369,993
Fixed assets	V.16	43,919,373	40,354,816
Construction in progress	V.17	1,805,982	4,483,906
Intangible assets	V.18	5,871,876	5,873,962
Development expenditures	V.18	15,605	18,210
Right-of-use assets	V.19	1,152,130	1,090,950
Goodwill	V.20	2,517,112	2,653,893
Long-term prepaid expenses	V.21	832,132	866,306
Deferred tax assets	V.22	1,698,554	1,514,656
Other non-current assets	V.23	391,709	423,057
Total non-current assets		73,988,811	73,323,257
TOTAL ASSETS		174,752,236	161,763,233

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FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

CONSOLIDATED BALANCE SHEET (Continued)

	Notes	31 December 2024	31 December 2023
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	V.26	11,260,716	12,400,861
Derivative financial liabilities	V.3	344,767	1,696,118
Financial liabilities held for trading		81,742	76,020
Notes payables	V.27	6,100,596	4,681,963
Accounts payables	V.28	26,886,299	20,181,009
Advances from customers	V.29	5,628	11,099
Contract liabilities	V.30	14,599,941	13,053,025
Employee benefits payable	V.31	6,251,541	5,314,927
Taxes payable	V.32	2,408,714	1,170,035
Other payables	V.33	5,570,636	6,380,675
Provisions	V.34	2,090,538	1,315,445
Non-current liabilities due within one year	V.35	4,296,588	9,675,619
Other current liabilities	V.36	959,102	3,028,367
Total current liabilities		80,856,808	78,985,163
Non-current liabilities:			
Long-term borrowings	V.37	19,377,598	13,523,455
Debentures payable	V.38	4,035,642	1,960,454
Lease liabilities	V.39	869,384	820,638
Long-term payables		272,671	188,987
Deferred income	V.40	791,489	1,032,077
Deferred tax liabilities	V.22	498,980	567,155
Other non-current liabilities	V.41	29,862	54,954
Total non-current liabilities		25,875,626	18,147,720
Total liabilities		106,732,434	97,132,883
Shareholders' equity:			
Share capital	V.42	5,392,521	5,392,521
Other equity instruments	V.43	4,093,019	2,049,774
Including: Perpetual bonds		4,093,019	2,049,774
Capital reserve	V.44	4,336,575	4,548,686
Less: Treasury shares	V.45	200,098	—
Other comprehensive income	V.46	(156,777)	559,892
Special reserves		35,921	18,896
Surplus reserve	V.47	4,486,351	4,486,351
Undistributed profits	V.48	33,631,820	30,801,685
Total equity attributable to shareholders and other equity holders of the Company		51,619,332	47,857,805
Minority interests		16,400,470	16,772,545
Total shareholders' equity		68,019,802	64,630,350
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		174,752,236	161,763,233

The accompanying notes form an integral part of these financial statements.

Legal representative:

Person in charge of
accounting function:The head of the accounting
department:

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

COMPANY BALANCE SHEET

	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets:			
Cash at bank and on hand		714,377	2,829,658
Derivative financial assets		–	1,042
Accounts receivable		56,860	21,145
Other receivables	XVII.1	31,367,276	28,830,327
Other current assets		–	1,088
Total current assets		32,138,513	31,683,260
Non-current assets:			
Other equity investments		1,567,740	1,701,061
Long-term equity investments	XVII.2	17,116,817	16,638,397
Investment properties		126,181	126,181
Fixed assets		98,255	104,048
Construction in progress		56,655	15,559
Intangible assets		1,503,384	1,530,588
Long-term prepaid expenses		7,733	7,369
Total non-current assets		20,476,765	20,123,203
TOTAL ASSETS		52,615,278	51,806,463

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

AS AT 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

COMPANY BALANCE SHEET (Continued)

	Notes	31 December 2024	31 December 2023
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings		1,085,595	2,201,801
Derivative financial liabilities		–	5,276
Employee benefits payable		425,156	367,720
Taxes payable		5,621	9,911
Other payables		7,701,802	8,439,068
Non-current liabilities due within one year		2,282,725	1,442,074
Other current liabilities		3,024	2,003,738
Total current liabilities		11,503,923	14,469,588
Non-current liabilities:			
Long-term borrowings		8,805,592	7,962,868
Debentures payable		2,043,555	507,583
Deferred income		329	1,632
Total non-current liabilities		10,849,476	8,472,083
Total liabilities		22,353,399	22,941,671
Shareholders' equity:			
Share capital	V.42	5,392,521	5,392,521
Other equity instruments	V.43	4,093,019	2,049,774
Including: Perpetual bonds		4,093,019	2,049,774
Capital reserve		1,015,449	1,015,449
Less: Treasury shares	V.45	200,098	–
Other comprehensive income		138,069	238,928
Surplus reserve	V.47	4,486,351	4,486,351
Undistributed profits		15,336,568	15,681,769
Total shareholders' equity		30,261,879	28,864,792
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		52,615,278	51,806,463

The accompanying notes form an integral part of these financial statements.

Legal representative:

Person in charge of
accounting function:The head of the accounting
department:

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

CONSOLIDATED INCOME STATEMENT

Items	Notes	2024	2023 (Restated)
I. Revenue	V.49	177,664,098	127,809,519
Less: Cost of sales	V.49	155,417,338	110,443,121
Taxes and surcharges	V.50	656,083	541,291
Selling and distribution expenses	V.51	2,627,870	2,529,766
General and administrative expenses	V.52	6,955,039	6,505,214
Research and development expenses	V.53	2,709,107	2,429,152
Financial expenses	V.54	1,364,876	1,506,757
Including: Interest expenses		2,039,604	1,942,932
Interest income		483,210	326,994
Add: Other income	V.59	575,537	570,673
Investment losses	V.57	(493,752)	(334,453)
Including: Share of (losses)/profit of associates and joint ventures		(34,268)	198,771
Fair value losses	V.56	(669,037)	(611,385)
Asset impairment losses	V.60	(416,492)	(526,314)
Credit impairment losses	V.61	(491,544)	(144,609)
Gains on disposals of assets	V.58	114,400	23,782
II. Operating profit		6,552,897	2,831,912
Add: Non-operating income	V.62	249,797	125,372
Less: Non-operating expenses	V.63	207,447	123,110
III. Profit before income tax		6,595,247	2,834,174
Less: Income tax expenses	V.64	2,400,090	970,800
IV. Net profit		4,195,157	1,863,374
Classified by business continuity			
Net profit from continuing operations		4,195,157	1,853,254
Net profit from discontinued operations		—	10,120
Classified by ownership			
Net profit attributable to shareholders and other equity holders of the Company		2,972,343	421,249
Profit or loss attributable to minority shareholders		1,222,814	1,442,125

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

CONSOLIDATED INCOME STATEMENT (Continued)

Items	Notes	2024	2023 (Restated)
V. Other comprehensive income, net of tax		(751,491)	(349,031)
Attributable to shareholders and other equity holders of the Company	V.46	(716,669)	(505,648)
Items that will not be reclassified to profit or loss		(196,419)	(466,336)
Changes in fair value of other equity investments		(196,419)	(466,336)
Items that may be reclassified subsequently to profit or loss		(520,250)	(39,312)
The share of other comprehensive income that can be reclassified into profit or loss under the equity method		74,413	28,191
Effect of hedge accounting		14,838	–
Transfer of other comprehensive income from the sale of investment properties		–	(8,343)
Currency translation differences of foreign currency statements		(609,501)	(59,160)
Minority interests		(34,822)	156,617
VI. Total comprehensive income		3,443,666	1,514,343
Attributable to shareholders and other equity holders of the Company		2,255,674	(84,399)
Minority interests		1,187,992	1,598,742
VII. Earnings per share			
Basic earnings per share (RMB)	V.65	0.53	0.07
Diluted earnings per share (RMB)	V.65	0.53	0.05

The accompanying notes form an integral part of these financial statements.

Legal representative:

Person in charge of
accounting function:

The head of the accounting
department:

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

COMPANY INCOME STATEMENT

Items	Notes	2024	2023
I. Revenue	XVII.3	552,088	172,650
Less: Cost of sales	XVII.3	—	—
Taxes and surcharges		7,998	7,446
General and administrative expenses		458,316	417,383
Research and development expenses		2,932	2,938
Financial expenses		378,508	383,978
Including: Interest expenses		647,516	525,812
Interest income		27,889	30,986
Add: Other income		16,168	3,824
Investment income	XVII.4	1,592,396	3,142,009
Fair value losses	XVII.5	(1,407,328)	(4,199)
Asset impairment losses		—	(207,616)
Losses on disposals of assets		(787)	(1,396)
II. Operating (loss)/profit		(95,217)	2,293,527
Add: Non-operating income		10	16,186
Less: Non-operating expenses		14,700	15,000
III. (Loss)/profit before income tax		(109,907)	2,294,713
Less: Income tax expenses		8,918	53,556
IV. Net (loss)/profit		(118,825)	2,241,157
Classified by business continuity			
Net (loss)/profit from continuing operations		(118,825)	2,241,157
Net profit from discontinued operations		—	—
V. Other comprehensive income, net of tax		(100,859)	(400,072)
Items that will not be reclassified to profit or loss		(124,403)	(415,090)
Changes in fair value of other equity investments		(124,403)	(415,090)
Items that may be reclassified to profit or loss		23,544	15,018
Other comprehensive income that can be reclassified into profit or loss under the equity method		23,544	15,018
VI. Total comprehensive income		(219,684)	1,841,085

The accompanying notes form an integral part of these financial statements.

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department:

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

CONSOLIDATED CASH FLOW STATEMENT

Items	Notes	2024	2023
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		161,777,760	119,990,466
Refund of taxes and surcharges		6,361,970	3,347,505
Cash received relating to other operating activities	V.66(1)	1,018,063	986,662
Sub-total of cash inflows of operating activities		169,157,793	124,324,633
Cash paid for goods and services		135,205,008	98,724,890
Cash paid to and on behalf of employees		16,032,724	12,487,597
Payments of taxes and surcharges		4,348,136	5,741,750
Cash paid relating to other operating activities	V.66(2)	4,308,055	4,667,210
Sub-total of cash outflows of operating activities		159,893,923	121,621,447
Net cash inflows from operating activities	V.67(1)	9,263,870	2,703,186
II. Cash flows from investing activities			
Cash received from disposals of investments	V.66(3)	16,512,730	7,238,012
Cash received from returns on investments		520,085	684,417
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		427,054	409,554
Net cash received from disposals of subsidiaries	V.67(3)	14,184	–
Sub-total of cash inflows of investing activities		17,474,053	8,331,983
Net cash outflows from disposals of subsidiaries	V.67(3)	–	122,338
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,568,865	5,475,854
Cash paid to acquire investments	V.66(4)	19,057,732	9,047,080
Net cash paid to acquire subsidiaries	V.67(2)	215,500	182,265
Cash paid relating to other investing activities	V.66(5)	1,262,245	1,678,997
Sub-total of cash outflows of investing activities		24,104,342	16,506,534
Net cash outflows used in investing activities		(6,630,289)	(8,174,551)

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FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

CONSOLIDATED CASH FLOW STATEMENT (Continued)

Items	Notes	2024	2023
III. Cash flows from financing activities			
Cash received from capital contributions		527,150	2,203,015
Including: Cash received from capital contributions by minority shareholders of subsidiaries		527,150	2,203,015
Cash received from borrowings	V.66(7)	37,151,755	33,709,728
Cash received from issuing bond	V.66(7)	10,500,000	6,000,000
Cash received relating to other financing activities		–	40,349
Sub-total of cash inflows of financing activities		48,178,905	41,953,092
Cash repayments of borrowings	V.66(7)	38,300,716	23,463,342
Cash repayments of bonds	V.66(7)	7,333,299	4,036,259
Cash payments for distribution of dividends or profits and interest expenses	V.66(7)	3,137,669	3,900,146
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		838,462	910,500
Cash payments relating to other financing activities	V.66(6)	3,651,208	848,333
Sub-total of cash outflows of financing activities		52,422,892	32,248,080
Net cash flows (used in)/from financing activities		(4,243,987)	9,705,012
IV. Effect of foreign exchange rate changes on cash at bank and on hand		244,751	204,869
V. Net (decrease)/increase in cash at bank and on hand	V.67(1)	(1,365,655)	4,438,516
Add: Cash at bank and on hand at the beginning of the year		20,350,816	15,912,300
VI. Cash at bank and on hand at the end of the year	V.67(4)	18,985,161	20,350,816

The accompanying notes form an integral part of these financial statements.

Legal representative:

Person in charge of
accounting function:

The head of the accounting
department:

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

COMPANY CASH FLOW STATEMENT

Items	Notes	2024	2023
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		533,551	157,752
Cash received relating to other operating activities		69,067	79,863
Sub-total of cash inflows of operating activities		602,618	237,615
Cash paid to and on behalf of employees		170,187	204,604
Payments of taxes and surcharges		55,282	36,429
Cash paid relating to other operating activities		217,065	209,580
Sub-total of cash outflows of operating activities		442,534	450,613
Net cash flows from/(used in) operating activities		160,084	(212,998)
II. Cash flows from investing activities			
Cash received from disposals of investments		28,348,400	17,005,108
Cash received from returns on investments		1,903,699	3,352,214
Net cash received from disposals of fixed assets		308	136
Net cash received from disposals of subsidiaries		32,152	—
Sub-total of cash inflows of investing activities		30,284,559	20,357,458
Cash paid to acquire fixed assets and other long-term assets		93,380	1,418,145
Cash paid to acquire investments		13,905,513	5,610,000
Net cash paid to acquire subsidiaries		—	790,199
Cash paid relating to other investing activities		18,902,779	17,093,493
Sub-total of cash outflows of investing activities		32,901,672	24,911,837
Net cash flows used in investing activities		(2,617,113)	(4,554,379)
III. Cash flows from financing activities			
Cash received from borrowings		6,485,000	16,198,628
Cash received from issuing bonds		8,000,000	6,000,000
Cash received from other financing activities		600,000	6,100,000
Sub-total of cash inflows of financing activities		15,085,000	28,298,628
Cash repayments of borrowings		6,424,677	9,007,520
Cash repayments of bonds		6,000,000	4,000,000
Cash payments for distribution of dividends or profits and interest expenses		798,047	1,547,397
Cash payments relating to other financing activities		1,520,306	6,705,510
Sub-total of cash outflows of financing activities		14,743,030	21,260,427
Net cash flows from financing activities		341,970	7,038,201
IV. Effect of foreign exchange rate changes on cash at bank and on hand		379	160
V. Net (decrease)/increase in cash at bank and on hand		(2,114,680)	2,270,984
Add: Cash at bank and on hand at the beginning of the year		2,821,693	550,709
VI. Cash at bank and on hand at the end of the year		707,013	2,821,693

The accompanying notes form an integral part of these financial statements.

Legal representative:

Person in charge of
accounting function:The head of the accounting
department:

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2024

Item	Attributable to shareholders and other equity holders of the Company											
	Note	Share capital	Less: treasury shares	Other equity instruments	Capital surplus	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Sub-total	Minority interest	Total shareholders' equity
I. Balance at 1 January 2024		5,392,521	-	2,049,774	4,548,686	559,892	18,896	4,486,351	30,807,685	47,857,805	16,772,545	64,630,350
II. Movements for the year												
(I) Total comprehensive income												
1. Net profit	V.43	-	-	107,445	-	-	-	-	2,864,898	2,972,343	1,222,814	4,195,157
2. Other comprehensive income	V.46	-	-	-	-	(716,669)	-	-	-	(716,669)	(34,822)	(751,491)
(II) Capital contribution and withdrawal by owners												
1. Contributions by minority shareholders	V.44	-	-	-	39,187	-	-	-	-	39,187	444,492	483,679
2. Increase in minority interests resulting from acquisition or establishment of subsidiary		-	-	-	-	-	-	-	-	-	13,723	13,723
3. Acquisition of minority interests of subsidiaries	V.44	-	-	-	(119,190)	-	-	-	-	(119,190)	(1,466,425)	(1,585,615)
4. Increase in capital reserve resulting from share option exercised by subsidiary	V.44	-	-	-	29,734	-	-	-	-	29,734	13,737	43,471
5. Increase in shareholders' equity resulting from share-based payments	V.44, XI.1	-	-	-	(163,675)	-	-	-	84,168	(79,507)	351,789	272,282
6. Issuance of other equity instruments	V.43	-	-	2,000,000	-	-	-	-	-	2,000,000	-	2,000,000
7. Others	V.44	-	-	-	1,833	-	-	-	-	1,833	-	1,833
(III) Profit distribution												
1. Profit distribution to shareholders	V.48	-	-	-	-	-	-	-	(118,931)	(118,931)	(922,444)	(1,041,375)
2. Interest paid on other equity instruments	V.43	-	-	(64,200)	-	-	-	-	-	(64,200)	-	(64,200)
(IV) Safety fund												
(V) Others	V.45	-	(200,098)	-	-	-	17,025	-	-	17,025	5,061	22,086
II. Balance at 31 December 2024		5,392,521	(200,098)	4,093,019	4,336,575	(156,777)	35,921	4,486,351	33,631,820	51,619,332	16,400,470	68,019,802

Legal representative: _____ Person in charge of accounting function: _____ The head of the accounting department: _____

The accompanying notes form an integral part of these financial statements.

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

2023											
Attributable to shareholders and other equity holders of the Company											
Item	Note	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Sub-total	Minority interest	Total shareholders' equity
I. Balance at 1 January 2023		5,392,521	2,049,774	4,207,798	1,065,540	-	4,300,255	31,597,541	48,613,429	14,042,655	62,656,084
II. Movements for the year											
(I) Total comprehensive income											
1. Net profit		-	64,200	-	-	-	-	357,049	421,249	1,442,125	1,863,374
2. Other comprehensive income		-	-	-	(505,648)	-	-	-	(505,648)	156,617	(349,031)
(II) Capital contribution and withdrawal by owners											
1. Contributions by minority shareholders		-	-	896,077	-	-	-	-	896,077	1,275,006	2,171,083
2. Increase in minority interests resulting from acquisition or establishment of subsidiary		-	-	-	-	-	-	-	-	-	-
3. Acquisition of minority interests of subsidiaries		-	-	(624,731)	-	-	-	-	(624,731)	292,872	(331,859)
4. Disposal of subsidiaries (loss of control)		-	-	-	-	-	-	-	-	399,006	399,006
5. Disposal of subsidiaries (without losing control)		-	-	-	-	-	-	-	-	-	-
6. Increase in capital reserve resulting from share option exercised by subsidiary		-	-	21,583	-	-	-	-	21,583	10,349	31,932
7. Increase in shareholders' equity resulting from share-based payments		-	-	57,483	-	-	-	-	57,483	31,202	88,685
8. Issuance of other equity instruments		-	-	-	-	-	-	-	-	-	-
9. Increase in capital from capital reserve		-	-	-	-	-	-	-	-	-	-
10. Others		-	-	(9,524)	-	-	-	-	(9,524)	-	(9,524)
(III) Profit distribution											
1. Appropriation to surplus reserves		-	-	-	-	-	186,096	(186,096)	-	-	-
2. Profit distribution to shareholders	V.48	-	-	-	-	-	-	(966,809)	(966,809)	(897,081)	(1,863,890)
3. Interest paid on other equity instruments		-	(64,200)	-	-	-	-	-	(64,200)	-	(64,200)
(IV) Safety fund		-	-	-	-	18,896	-	-	18,896	19,794	38,690
III. Balance at 31 December 2023		5,392,521	2,049,774	4,548,686	559,892	18,896	4,486,351	30,801,685	47,857,805	16,772,545	64,630,350

Legal representative:

Person in charge of accounting function:

The head of the accounting department:

The accompanying notes form an integral part of these financial statements.

CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2024

Item	Note	Share capital	Less: treasury shares	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 1 January 2024		5,392,521	-	2,049,774	1,015,449	238,928	4,486,351	15,681,769	28,864,792
II. Movements for the year									
(I) Total comprehensive income									
1. Net profit	V.43	-	-	107,445	-	-	-	(226,270)	(118,825)
2. Other comprehensive income		-	-	-	-	(100,859)	-	-	(100,859)
(II) Capital contribution and withdrawal by owners									
1. Issuance of other equity instruments	V.43	-	-	2,000,000	-	-	-	-	2,000,000
(III) Profit distribution									
1. Profit distribution to shareholders	V.48	-	-	-	-	-	-	(118,931)	(118,931)
2. Interest paid on other equity instruments	V.43	-	-	(64,200)	-	-	-	-	(64,200)
(IV) Others	V.45	-	(200,098)	-	-	-	-	-	(200,098)
III. Balance at 31 December 2024		5,392,521	(200,098)	4,093,019	1,015,449	138,069	4,486,351	15,336,568	30,261,879

Legal representative:

Person in charge of accounting function:

The head of the accounting department:

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CHAPTER X

FINANCIAL STATEMENTS AND AUDIT REPORT PREPARED IN ACCORDANCE WITH CASBE

FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

2023								
Item	Note	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 1 January 2023		5,392,521	2,049,774	1,015,449	639,000	4,300,255	14,657,717	28,054,716
II. Movements for the year								
(i) Total comprehensive income								
1. Net profit		-	64,200	-	-	-	2,176,957	2,241,157
2. Other comprehensive income		-	-	-	(400,072)	-	-	(400,072)
(ii) Capital contribution and withdrawal by owners								
1. Issuance of other equity instruments		-	-	-	-	-	-	-
2. Increase in capital from capital reserve		-	-	-	-	-	-	-
(iii) Profit distribution								
1. Appropriation to surplus reserves		-	-	-	-	186,096	(186,096)	-
2. Profit distribution to shareholders	V.48	-	-	-	-	-	(966,809)	(966,809)
3. Interest paid on other equity instruments		-	(64,200)	-	-	-	-	(64,200)
(iv) Others								
1. Retrospective adjustments on equity method of changing subsidiaries as associates		-	-	-	-	-	-	-
III. Balance at 31 December 2023		5,392,521	2,049,774	1,015,449	238,928	4,486,351	15,681,769	28,864,792

Legal representative: _____ Person in charge of accounting function: _____ The head of the accounting department: _____

The accompanying notes form an integral part of these financial statements.

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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] No. 1736" issued by the General Office of the People's Government of Shenzhen and "Shen Ren Yin Fu Zi (1992) No. 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 (Group) Co., Ltd." by the original corporate shareholders of the Company. On 31 December 1993 and 17 January 1994 respectively, the Company issued RMB ordinary shares (A shares) and domestically listed foreign shares (B shares) to the public at home and abroad, and commenced trading on Shenzhen Stock Exchange pursuant to "Shen Fu Ban Fu [1993] No. 925" issued by the General Office of the People's Government of Shenzhen and "Shen Zheng Ban Fu [1994] No. 22" issued by Shenzhen Securities Administration Office. On 1 December 1995, as approved by the State Administration for 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, No. 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 were listed and traded on the Main Board of the Hong Kong Stock Exchange through the way of introduction. Henceforth, all the Company's B shares were 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 Operation Group Co., Ltd. (**"Shenzhen Capital Group"**) and its subsidiaries. On 18 December 2020, the share transfer was completed. Shenzhen Capital Group and its subsidiaries held 29.74% of the Company's equity and became the Company's largest shareholder. On 12 March 2024, the Company received the notification letter from Shenzhen Capital Group, the largest shareholder, that Shenzhen Capital Group intended to transfer its A shares, which accounted for 5.10% of the Company's total issued shares, by agreement through public solicitation of the transferee. On 1 July 2024, Shenzhen Capital Group informed that it determined Shenzhen Liye Industry Group Co., Ltd. (hereinafter referred to as **"Liye Industry"**) as the transferee of public solicitation transfer in accordance with the rules already announced, and signed a share transfer agreement with Liye Industry. At present, the transfer registration procedures have been completed in connection with the above public solicitation transfer, and the transfer date is 14 August 2024. After the transfer, Shenzhen Capital Group still holds 24.64% of the company's shares in total, and is the largest shareholder of the company.

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I. GENERAL INFORMATION (Continued)

The Company and its subsidiaries ((together referred to as “**the Group**”) are the world’s leading supplier of equipment and solutions in the logistics and energy industries. At present, they are mainly engaged in the manufacturing and service businesses of containers, road transport vehicles, energy/chemical/liquid food equipment, offshore engineering equipment, airport and logistics equipment/fire fighting and rescue equipment, including international standard dry cargo containers, refrigerated containers, special containers, tank containers, natural gas/industrial gas/hydrogen and other storage tanks and transport tankers, turnkey project of bio fermented liquid food, semi-trailer products, special vehicle loading, jack up drilling platform, semi submersible drilling platform, special ship, offshore wind power installation ship, passenger boarding bridge and bridge borne equipment, airport ground support equipment, fire-fighting and rescue vehicle equipment, automated logistics system, etc. In addition, the Group is also engaged in recycling vehicle business, logistics service business and financial and asset management business. Through business expansion and technology development, the Group has formed an industrial cluster focusing on key equipment and solutions in the logistics and energy industries.

CIMC Enric Holdings Limited (“**Enric**”), the subsidiary of the Company, is listed on the Main Board of the Hong Kong Stock Exchange. The actual 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 Vehicles (Group) Co., Ltd. (“**CIMC Vehicles**”), the subsidiary of the Company, is listed on the Growth Enterprise Market of the Shenzhen Stock Exchange. CIMC Vehicles primarily engages in the production, manufacture and sales of semi-trailers and speciality vehicles and their truck bodies, refrigerated van and its container.

On 27 July 2023, the China Securities Regulatory Commission (“**CSRC**”) approved the registration application of CIMC Safeway Technologies Co., Ltd. (“**CIMC Safe Tech**”), a subsidiary of Enric, for an IPO and listing on ChiNext of the Shenzhen Stock Exchange. The CIMC Safe Tech’s A-share IPO was subsequently completed on 11 October 2023. The CIMC Safe Tech primarily engages in the research, development and manufacture of chemical logistics equipment, chemical process equipment, pressure vessels and components, as well as key environmental protection equipment.

Please refer to Note VII for details of subsidiaries included in the scope of consolidation and also refer to Note VI.1 for the details of subsidiaries newly included in the scope of consolidation. Please refer to Note VI.2 for details of subsidiaries not included in the scope of consolidation.

The financial statements have been approved for announcement by the Company’s Board of Directors on 27 March 2025.

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II. BASIS OF PREPARATION

The financial statements were prepared in accordance with the Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the specific accounting standards and the relevant regulations issued thereafter (hereinafter collectively referred to as the **“Accounting Standards for Business Enterprises”**) 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.

The new Hong Kong Companies Ordinance has been effective from 3 March 2014. Some notes in this financial statement have been disclosed in accordance with requirements of the Hong Kong Companies Ordinance.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group determines specific accounting policies and accounting estimates according to the characteristics of production and operation, which include the measurement of expected credit losses of receivables and contract assets (Note III, 10), the valuation method of inventories (Note III, 11), the criteria for impairment of long-term assets (Note III, 20), the depreciation of fixed assets, the amortization of intangible assets and right-of-use assets (Note III, 14, 17, 29), the criteria for the capitalization of development costs (Note III, 17), the measurement of estimated liabilities (Note III, 22), the measurement model of investment real estate (Note III, 13), the recognition and measurement of income (Note III, 24), etc.

The key judgements, significant accounting estimates and key assumptions adopted by the Group when determining significant accounting policies are disclosed in Note III,34.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely represent the consolidated financial position and financial position of the Company as at 31 December 2024, the consolidated operating results and operating results, and the consolidated cash flow and cash flow for the year of 2024.

2. Accounting year

The Company's accounting year starts from 1 January to 31 December.

3. Business cycle

The Group regards the period from the purchase of assets for service or processing to the realization of cash or cash equivalents as the normal business cycle. Its main business is the manufacturing and service of modern transportation equipment, energy, food, chemical and other equipment.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

4. Recording currency

Renminbi (RMB) is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The recording currency of the Company and its subsidiaries domiciled in PRC is RMB. The recording currency of the Company's overseas subsidiaries and other operating entities is determined based on the primary economic environment in which they operate. The Group adopts RMB to prepare its financial statements.

5. Methods and basis for determining important standards

Item	Important Standards
Significant provisions for bad debts assessed individually on accounts receivable, contract assets and other receivables	Individual provision amount exceeding 10% of the total bad debt provision for each category of accounts receivable and exceeding RMB100 million
Significant write-offs/reversals of bad debt provisions for receivables	Individual write-off amount exceeding 10% of the total bad debt provision for each category of receivables and exceeding RMB100 million
Significant goodwill	Goodwill carrying amount of an individual asset group exceeding 10% of the Group's total goodwill
Significant non-wholly-owned subsidiaries	Minority interests of an individual non-wholly-owned subsidiary exceeding 5% of the Group's consolidated net assets
Significant joint ventures and associates	Individual carrying amount exceeding 1% of the Group's total consolidated assets or equity pick-up from an investee exceeding 5% of the Group's consolidated net profit
Significant subsidiaries	Net assets or net profit of a subsidiary exceeding 5% of the Group's corresponding amounts
Significant unconsolidated structured entities	Individual investment in a structured entity over RMB300 million
Significant construction in progress	Individual project with a budgeted amount exceeding RMB300 million
Significant contract changes	Change/variation amount exceeding 30% of the original contract value with a financial statement impact exceeding RMB100 million
Significant transactions with minority interests	Individual transaction amount exceeding RMB300 million
Significant Acquisitions and Disposals of Subsidiaries	Consideration for an individual acquisition or disposal of a subsidiary exceeding RMB300 million
Significant provisions	Individual provision amount exceeding RMB100 million
Significant lawsuits	Individual lawsuit claim amount exceeding RMB100 million

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Business combinations

(1) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the Group in a business combination are measured at the carrying amount. If the acquiree is acquired from a third party by the ultimate controlling party in a prior year, the consideration paid and net assets obtained by the acquirer are measured based on the carrying amounts of the acquiree's assets and liabilities (including the goodwill arising from the acquisition of the acquiree by the ultimate controlling party) presented in the consolidated financial statements of the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination is adjusted to capital reserve (share premium). If the balance of the capital reserve (share premium) is insufficient to absorb the aforesaid difference, any excess is adjusted against undistributed profits. Any costs directly attributable to the combination shall be recognised in profit or loss for the current period when occurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

(2) Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the Group in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill (Note III.18); where the cost of combination is lower than the Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Any costs directly attributable to the combination shall be recognised in profit or loss for the current period when occurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

7. Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Company obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profit realised before the combination date is presented separately in the consolidated income statement.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**7. Preparation of consolidated financial statements (Continued)**

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

For a business combination not involving enterprises under common control and achieved in stages, the Company remeasures its previously-held equity interest in the acquiree at fair value at the acquisition date in the consolidated financial statements. The difference between the fair value and the carrying amount is recognised as investment income for the current period. Where the equity interest held in the acquiree before the acquisition date relates to other comprehensive income measured under the equity method and other changes in owners' equity except net profit or loss, other comprehensive income and profit distribution, corresponding other comprehensive income and other changes in owners' equity (excluding other comprehensive income from changes arising from remeasurement on net liabilities or net assets of defined benefit plans of the acquiree) shall be transferred to investment income for the period in which the acquisition date falls. Goodwill is recognised at the excess of the sum of the fair value of previously held interest in the acquiree and the fair value of the consideration paid at the acquisition date, over the fair value of the acquiree's identifiable net assets acquired at the acquisition date.

Where the Company acquires a minority interest from a subsidiary's minority interests or disposes of a portion of long-term equity investments in a subsidiary without a change in control, the difference between the amount of the newly acquired long-term equity investments and the amount of the share of the subsidiary's net assets that are continuously calculated from the acquisition date or the merger date based on the new shareholding ratio, and the difference between the amount of the consideration paid or received to dispose such long-term equity investments and the amount of the share of the subsidiary's net assets that are continuously calculated from the acquisition date or the merger date based on such disposal are both adjusted to the Capital reserve (share premium) in the consolidated balance sheet. If the credit balance of the capital reserve (share premium) is insufficient, any excess is adjusted to undistributed profits.

When the amount of loss for the current period attributable to the minority interests of a subsidiary exceeds the minority interests' portion of the opening balance of shareholders' equity of the subsidiary, the excess is allocated against the minority interests.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Preparation of consolidated financial statements (Continued)

If the Company loses the control of the original subsidiary because of disposing part of equity investment or other reasons, the remaining equity investment shall be remeasured at fair value in the consolidated financial statements at the date when control is lost. The sum of consideration received from the disposal of equity investment and the fair value of the remaining equity investment, net of the sum of the share of net assets of the former subsidiary based on continuous calculation since the acquisition date at previous proportion of shareholding and goodwill, is recognised as investment income for the current period when the control is lost. In addition, other comprehensive income and other changes in owners' equity (excluding other comprehensive income from changes arising from remeasurement by the former subsidiary on net liabilities or net assets of defined benefit plans), which are related with the equity investment in the former subsidiary, are transferred to profit or loss for the current period when the control is lost.

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 recognised as minority interests, net profit and loss attributable to minority interests as well as 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' shareholdings on the subsidiary who sold.

The difference on recognising a same transaction between the accounting subjects of the Group and of the Company or its subsidiaries would be adjusted on the accounting subject of the Group.

8. Cash at bank and on hand

Cash at bank and on hand 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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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**9. Foreign currency transactions and translation of financial statements denominated in foreign currency****(1) Foreign currency transactions**

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for acquisition or construction of qualifying assets, which are capitalised (Note III.16) as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated by using the spot exchange rate on the date when the fair value is determined, and the translation difference of foreign currency statements arising therefrom is included in the profit or loss or other comprehensive income on the basis of the nature of such non-monetary items. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(2) Translation of financial statements denominated in foreign currency

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements for overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented in other comprehensive income.

When the control on overseas operation is lost due to disposals of all owners' equity in the Group's overseas operation or disposals of some equity investments or any other reasons, the differences on translation of financial statements denominated in foreign currency, which are presented under shareholders' equity in the balance sheet, related to the overseas operation and attributable to shareholders' equity of the Company, are recorded in profit or loss for the current period in which the disposal is incurred.

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 is presented separately in the cash flow statement.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. 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, financial liabilities or equity instruments are recognised.

(1) Financial assets

(a) *Classification and measurement*

Based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period. For the accounts receivable and notes receivables arising from the sales of products or the provision of services that do not contain or consider the significant financing components, the consideration to be received is recognised as the initial recognition amount.

(i) Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following three categories:

At amortised 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 comprise Cash at bank and on hand, notes receivables, accounts receivable, other receivables and long-term receivables. The Group will present the long-term receivables due within one year (including one year) from the balance sheet date as current portion of non-current assets.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)

10. 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 is both to collect contractual cash flows and to 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 rate method, which are recognised in profit or loss for the current period. Such financial assets mainly include receivables financing.

At fair value through profit or loss:

Debt instruments held by the Group that are measured neither at amortised 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

Investments in equity instruments, over which the Group has no control, joint control or significant influence, are measured at fair value through profit or loss under financial assets held for trading; investments in equity instruments expected to be held for more than one year as from the balance sheet date are presented as other non-current financial assets.

In addition, at initial recognition, the Group designates certain non-tradable equity instrument investments as financial assets at fair value through other comprehensive income and presents them as other equity investments. The relevant dividend income of such financial assets is recognised in profit or loss for the current period.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

(1) Financial assets (Continued)

(b) Impairment

The Group recognises loss provision based on ECL for financial assets at amortised cost, debt investments at fair value through other comprehensive income, contract assets, financial guarantee contracts.

Giving consideration to reasonable and supportable information that is available without undue cost or effort at the balance sheet date on past events, current conditions and forecasts of future economic conditions weighted by the probability of default, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

For notes receivables, accounts receivable, receivables financing, contract assets and long-term receivables 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 provision according to the lifetime ECL.

At each balance sheet date, the ECL of financial instruments other than aforesaid notes receivables, accounts receivable, receivables financing, contract assets and long-term receivables is measured based on 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 ECL. 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 ECL. 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 ECL.

For financial instruments with lower credit risk at the balance sheet date and in the first stage, the Group assumes that its credit risk has not significantly increased since the initial recognition, and measures the allowance for that financial instruments at an amount equal to 12-month ECL.

For the financial instruments in the first stage and the second stage, the Group calculates interest income based on its book value 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 value minus the amortised cost and the effective interest rate after the impairment provisions.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)

10. Financial instruments (Continued)

(1) Financial assets (Continued)

(b) Impairment (Continued)

When ECL cannot be evaluated according to the reasonable cost for individual accounts receivable, notes receivables, receivables financing, contract assets and long-term receivables, the Group divides accounts receivable, notes receivables, receivables financing and contract assets into several portfolios based on the credit risk characteristics, and calculates the ECL on the basis of the portfolios. The basis for determining the portfolios is as follows:

Notes receivables portfolio 1	Commercial acceptance bill
Notes receivables portfolio 2	Bank acceptance bill
Receivables financing	Bank acceptance bill
Accounts receivable portfolio 1	Containers manufacturing business
Accounts receivable portfolio 2	Road transportation vehicles business
Accounts receivable portfolio 3	Energy, chemical and liquid food equipment business
Accounts receivable portfolio 4	Offshore engineering business
Accounts receivable portfolio 5	Airport facilities and logistics equipment, fire safety and rescue equipment business
Accounts receivable portfolio 6	Logistics services business
Accounts receivable portfolio 7	Recycled load business
Accounts receivable portfolio 8	Other business
Contract assets portfolio 1	Offshore engineering
Contract assets portfolio 2	Energy, chemical and liquid food equipment business
Contract assets portfolio 3	Airport facilities and logistics equipment, fire safety and rescue equipment business

For the accounts receivable, notes receivables, receivables financing and contract assets incurred from daily business activities such as selling goods and providing services, which are classified as portfolios, the Group calculates the ECL by reference to the historical credit losses experience, considering the current situation and the forecast of future economic conditions, as well as the default risk exposure and the lifetime ECL rate.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

(1) Financial assets (Continued)

(b) Impairment (Continued)

In case the ECL of an individually assessed other receivables cannot be evaluated with reasonable cost, the Group classifies other receivables into several portfolios based on the credit risk characteristics, and calculates the ECL on the basis of the portfolios. The basis for determining the portfolios is as follows:

Receivables portfolios	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	Financial assets held under resale agreements
Other receivables portfolio 5	Deposits and guarantees
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 receivable
Other receivables portfolio 10	Dividends receivable
Other receivables portfolio 11	Disbursements
Other receivables portfolio 12	Others

For other receivables divided into portfolios, the Group adopts three-stage model to calculate their ECL based on the exposure at default and the 12-month or lifetime ECL rate, with consideration to historical credit losses experience, current conditions and forecasts of future economic conditions.

The Group recognises the loss provision made or reversed in profit or loss for the current period. For debt instruments held at fair value through other comprehensive income, the Group adjusts other comprehensive income when the impairment losses or gains are recognised in profit or loss.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)

10. Financial instruments (Continued)

(1) Financial assets (Continued)

(c) Derecognition

The Group derecognises a financial asset, if the part being considered for derecognition meets one of the following conditions: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, (3) the financial asset has been transferred to the transferee and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When the other equity investment is derecognised, the difference between the carrying amount and the consideration received as well as the cumulative changes in fair value that are previously recognised directly in other comprehensive income is recognised in profit or loss for the current period, except for those measured at fair value through other comprehensive income, the difference aforementioned is recognised in undistributed profits instead.

(2) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

The Group's financial liabilities are mainly financial liabilities at amortised cost, including notes payables, 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 non-current liabilities due within one year; 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 derecognises the portion of the financial liability or obligation that has been discharged. The difference between the carrying amount of the derecognition portion and the consideration paid is recognised in profit or loss for the current period.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. 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. 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 recognised 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. Changes in fair value of these derivative financial instruments are recognised in profit or loss for the current period.

For a hybrid contract that contains both an embedded derivative financial instruments and a host contract, if the host contract is a financial asset contract, the Group accounts for the hybrid contract as a whole (without separating the embedded derivatives from it) on the basis of applicable accounting standards on financial instruments classification. If the host contract is not a financial asset contract and meets the conditions below, the Group accounts for the embedded derivatives that are separated from the hybrid contract as a separate derivative:

- (i) the economic characteristics and risks of embedded derivatives are not closely related to the host contract;
- (ii) a separate instrument that has the same terms but exists independently satisfies the definition of the derivative; and
- (iii) the hybrid instrument is not measured at fair value through profit or loss for the current period.

If the embedded derivative is separated from the hybrid contract, the Group accounts for the host contract on the basis of applicable accounting standards. If the fair value of the embedded derivatives cannot be reliably measured in accordance with the terms and conditions of the embedded derivatives, they are recognised according to the fair value difference between the hybrid contract and the host contract. If the fair value of the embedded derivative on the acquisition date or subsequent balance sheet date cannot be measured individually after the above methods are used, the Group designates the hybrid contract as a financial instrument at fair value through profit or loss for the current period.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. 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 unfavourable 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 initially recognised at the fair value deducting the cost that is directly attributable to equity transactions. The dividend distributions or interest expenses during the existence of other equity instruments shall be treated as profit distribution. The repurchasing and writing off of other equity instruments are treated as changes in shareholders' equity, and the related transaction costs are deducted from the shareholders' equity.

11. Inventories

(1) Classification

Inventories include raw materials, products in progress, finished products and stocks, commissioned processing materials, spare parts, marine engineering projects, and reusable materials, and are measured at the lower of cost and net realisable value.

(2) Valuation method of inventories

Cost of inventories is calculated using the weighted average method, which includes all purchase costs, processing costs, and other costs incurred before the inventory is shipped to the destination and in bringing them to the status quo. Borrowing costs incurred directly attributable to the production of qualifying inventories are recognised in cost of inventories (Note III.16). The cost of stocks and products in progress includes raw materials, direct labour, and manufacturing expenses allocated in a systematic way under normal production capacity.

(3) Inventory system

The Group adopts the perpetual inventory system.

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11. Inventories (Continued)

(4) Amortisation of reusable materials including low-value consumables and packaging materials

Reusable materials include low-value consumables and packaging materials. Low-value consumables are amortised into expenses based upon numbers of usage. Packaging materials are amortised by one-time resale method, and are included in the cost of related assets or current profit or loss.

(5) The underlying factors in the determination and basis of provision for impairment of inventories

Provision for impairment of inventories is determined as the excess amount of the carrying amount of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the normal course of business less the estimated costs to completion, the estimated costs of contract performance and the estimated expenses and related taxes necessary to make the sale. The Group determines a consolidated provision for inventory impairment for inventories that are produced and sold in the same region and have the same or similar end use.

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 through joint venture arrangement and the Group enjoys the rights only on the net assets of investees based on legal forms, contractual terms and other facts and circumstances. 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 investments 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 investments 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**12. Long-term equity investments (Continued)****(2) Subsequent measurement and recognition of profit and loss**

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 recognised as investment income in profit or loss for the current period.

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.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income or loss for the current period according to its share of net profit or loss of the investee. The Group discontinues recognising 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 recognising the investment losses and the provisions at the amount it expects to undertake. The Group's share of changes in the investee's owners' equity other than those arising from the net profit or loss, other comprehensive income and profit distribution is recognised in capital reserve with a corresponding adjustment to the carrying amount 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 in the financial statements of the Company are recognised. When preparing consolidated financial statements, for the portion of unrealised gains and losses of internal transaction attributable to the Group arising from downstream transactions in which the Group invests in or sells assets to the investees, the Group shall, on the basis of offsetting the Company's financial statements, offset the portion of unrealised income and costs or asset disposal gains and losses attributable to the Group, and adjust investment income accordingly; for the unrealised gains and losses of internal transaction attributable to the Group arising from the upstream transactions in which the investees invest in or sell assets to the Group, the Group shall, on the basis of offsetting the Company's financial statements, offset the portion of unrealised gains and losses of internal transaction included in the carrying amount of the relevant assets, and adjust the carrying amount of long-term equity investments accordingly. For losses on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised losses are not eliminated.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Long-term equity investments (Continued)

(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 long-term equity investments

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 III.20).

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 recognised in profit or loss for the period in which they are incurred.

The Group adopts fair value model to subsequently measure investment properties and does not provide depreciation or amortisation. 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 recognised in profit or loss for the current period.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Investment properties (Continued)

When an investment property 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 recognised 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 assets 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 recognised in profit or loss for the current period; otherwise, it is included in other comprehensive income and would be transferred into profit or loss for the current period when the investment property is disposed.

An investment property is derecognised 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 sales, transfer, retirement or damage of an investment property net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

14. Fixed assets

(1) Recognition conditions of fixed assets

Fixed assets include buildings, machinery and equipment, motor vehicles, office and other equipment, offshore engineering equipment, docks and wharves.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the cost can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

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14. Fixed assets (Continued)

(2) Depreciation

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated net residual values, over their estimated useful lives, unless the fixed asset is classified as held for sale (Note III.27). 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, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

Category	Estimated useful lives (years)	Estimated net residual value rate (%)	Depreciation rate per annum (%)
Buildings	10 – 33	10%	2.73 – 9%
Machinery and equipment	2 – 30	10%	3 – 45%
Office and other equipment	3 – 15	10%	6 – 30%
Motor vehicles	3 – 10	10%	9 – 30%
Dock and wharf	20 – 50	10%	1.8 – 4.5%
Offshore engineering equipment	20 – 30	10%	4.5 – 6%

Estimated useful lives, estimated net residual values of a fixed asset and depreciation methods are reviewed, and adjusted as appropriate at each year-end.

(3) The carrying amount of a fixed asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note III.20).

(4) Disposal

A fixed asset is derecognised when it is disposed of or no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sales, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

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**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)****15. Construction in progress**

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation (Note III.16) and other costs necessary to bring the construction in progress ready for its intended use.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use, and depreciation is charged starting from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below its carrying amount (Note III.20).

16. Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For general borrowings utilised for the acquisition and construction of an asset qualifying for capitalisation, the capitalised amount of the general borrowings is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilised general borrowings. The capitalisation rate is determined based on the weighted average effective interest rate of general borrowings. The effective interest rate is the interest rate that exactly discounts estimated future cash flows through the expected life of the borrowings or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

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17. Intangible assets

Intangible assets include land use rights, technological know-how, trademarks and software, timber concession rights, customer relationships, customer contracts, sea area use rights and franchise rights, and are measured at cost.

(1) Useful life and amortisation method

An intangible asset with finite useful life is amortised on the straight-line method or other more appropriate methods that can reflect the pattern in which the intangible assets' economic benefits are expected to be realised over its estimated useful life, unless the intangible asset is classified as held for sale (Note III.27).

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At each balance sheet date, an impairment test will be conducted.

The useful lives, the basis for their determination, and the amortisation methods for various intangible assets are as follows:

Item	Amortisation periods
Land use rights	20 years – 50 years
Sea area use rights	40 years – 50 years
Technological know-how, trademarks and software	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 amortisation method is performed at each year-end, with adjustment made as appropriate.

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17. Intangible assets (Continued)

(2) Research and development

The Group's research and development expenditures primarily include expenditures on materials consumed for the implementation of the Group's research and development activities, remuneration of employees in the research and development department, depreciation and amortisation of equipment and software used in research and development and other assets, testing and design expenses.

Expenditure on the research phase, such as expenditure on planned research, assessment and selection for manufacturing technique, is recognised 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:

- the development of manufacturing technique has been fully demonstrated by technical team;
- the management has approved the budget for the development of manufacturing technique;
- the research and analysis of preliminary market survey indicate that products manufactured with such technique are marketable;
- adequate technical and financial supports are available for development of manufacturing techniques and subsequent mass production; and
- expenditure on development of manufacturing techniques can be reliably collected.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development expenditures previously recognised as expenses are not recognised 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.

(3) Impairment of intangible assets

The carrying amount of an intangible asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note III.20).

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

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 enterprises not under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (Note III.20). On disposals 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.

19. Long-term prepaid expenses

Long-term prepaid expenses include the improvement of the right-of-use assets and other expenses that have been incurred but should be recognised as expenses over more than one year in the current and subsequent years. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

The amortisation periods of long-term prepaid expenses are as follows:

Item	Amortisation periods (years)
Drilling platform mobilisation fee	3 – 5
Improvements to right-of-use assets	2 – 10
Tooling transformation project	3 – 5
Improvement expenditure of workboat	2 – 5
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; intangible assets that are not yet available for their intended use are tested for impairment at least annually, irrespective of whether there is any indication of impairment. If the result of the impairment test indicates that the recoverable amount of the asset is lower than its carrying amount, 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 recognised 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.

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20. Impairment of long-term assets (Continued)

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 impairment test, the carrying amount 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 recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset groups 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 recognised, it is not reversed for the value recovered in the subsequent period.

21. Fair value measurement

Unless otherwise stated, the Group measures the fair value according to the following principles:

Fair value refers to the price that market participants can receive from selling an asset or pay to transfer a liability in an orderly transaction on the measurement date.

When estimating the fair value, the Group takes into account the characteristics considered by market participants when pricing related assets or liabilities on the measurement date (including the status and location of assets, restrictions on the sale or use of assets, etc.), and adopts valuation techniques that are applicable in the current situation and supported by sufficient available data and other information. The valuation techniques used mainly include market method, income method and cost method.

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22. Provisions and contingent liabilities

Provisions for product warranties, onerous contracts etc. are recognised 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 recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Loss provision for financial guarantee contracts which is recognised on the basis of ECL are presented as provisions.

Provisions 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.

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**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)****23. Share-based payments**

Share-based payment transactions are classified as equity-settled share-based payments and cash-settled share-based payments. The stock option plan and restricted stock plan implemented by the Group are equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to the employees. Where the equity-settled share-based payments are exercisable immediately after the grant is completed, the payments shall be recognised in profit or loss in the current period at the fair value of the equity instruments at the grant date, with capital reserve increased accordingly; where the equity-settled share-based payments are exercisable after the service in the vesting period is completed or specified performance conditions are met, the service obtained in the current period shall be recognised in profit or loss in the current period at the fair value of the equity instruments at the grant date based on the best estimate on the quantity of exercisable equity instruments made by the Group in accordance with the latest changes in the number of exercisable employees, satisfaction of specified performance conditions and subsequent information at each balance sheet date within the vesting period.

Where the equity-settled share-based payments cannot be exercised in the end, the Group's cost or expenses shall not be recognised unless that the payments are exercisable under the market conditions or non-exercisable conditions. In this regard, whether the market conditions or non-exercisable conditions are satisfied or not, the payments are deemed to be exercisable only when the non-market conditions among all of the exercisable conditions are satisfied.

When the Group modifies the terms of a share-based payment arrangement and the modification increases the fair value of the equity instruments granted, the Group recognises the incremental value of services obtained by reference to the fair value of equity instruments at the modification date over their fair values prior to the modification. If the Group modifies the vesting conditions in a manner that is beneficial to the employee, the Group accounts for the modified vesting conditions prospectively; however, if the modification is detrimental to the employee, the existing vesting terms continue to apply unless the Group cancels all or a portion of the equity instruments granted. In the event of cancellation of equity instruments granted, the Group accelerates the vesting to the cancellation date and immediately recognises the amount that otherwise would have been recognised over the remaining vesting period in profit or loss for the current period, with a corresponding credit to capital reserve.

If the Group needs to repurchase the restricted shares that become invalid due to failure to meet the unlocking conditions at the repurchasing price agreed in advance, the Group shall recognise liabilities and treasury shares according to the number of restricted shares and the corresponding repurchasing price.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Revenue

Revenue is recognised at the amount of the consideration which the Group expects to be entitled to receive when obligations in a contract are performed, that is, the control of the goods or services is transferred to the customer.

Obtaining the control of related goods means being able to dominate the use of the goods and obtain almost all of its economic benefits.

It's transferring control of goods over time, if one of the following criteria is met. Otherwise, it's transferring control of goods at a point in time:

- (1) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- (2) customers can control goods under construction during the Company's performance of contract;
- (3) the Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

In respect of a contract obligation that is to be fulfilled within a period, the Company should recognise the revenue based on the progress of the obligation fulfilment within the period, except that the progress of the obligation fulfilment fails to be reasonably determined.

When the performance progress cannot be reasonably determined, the revenue shall be recognised 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 recognised at a point in time is determined when the customer obtains control of the goods and services.

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**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)****24. Revenue (Continued)**

Contract costs include contract fulfilment costs and contract acquisition costs. The costs are recognised as contract fulfilment costs on the condition that (1) the costs are incurred by the Group for the fulfilment of the current or expected sales contracts or service contracts, (2) the costs increase the resources that the Group will use to fulfil obligations in the future, and (3) the costs are expected to be recoverable. The contract fulfilment costs are recognised as the cost of sales of main operations based on the stage of completion when recognising revenue. Cost incurred by the Group for the acquisition of the contract is recognised as incremental costs of obtaining a contract. For costs of obtaining a contract with amortisation period of less than one year, it would be recognised in profit or loss for the current period when it occurs; for costs of obtaining a contract with amortisation period of more than one year, it would be amortised in profit or loss on the basis of revenue recognition of the related contract. If the carrying amount 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 recognises it as asset impairment losses. As at the balance sheet date, based on whether the amortisation period of the contract fulfilment costs is less than one year or more than one year as determined upon initial recognition, the amount of the Group's contract fulfilment costs (net of related provision for asset impairment) is presented as inventories or other non-current assets respectively. For contract acquisition costs with an amortisation period more than one year as determined upon the initial recognition, the amount net of any related provision for asset impairment is presented as an other non-current asset.

The Group determines whether the Group is the primary responsible person or agent when engaging in the transactions based on whether the Group has control over the goods or services before the transfer of goods or services to the customer. Where the Group has control over the goods or services before the transfer of goods or services to the customer, the Group is the principal responsible person and recognises revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognises 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Revenue (Continued)

The specific accounting policies related to the main activities of the Group to obtain revenue are described as follows:

(1) Revenue from sales of goods

The Group sells containers, road transport vehicles and equipment, airport equipment, fire fighting equipment, energy chemical equipment and recycled carrier equipment. Revenue is recognised at a point in time when the control over the goods is transferred after the Group has delivered the goods to the location as specified in the sales contract and the customer has accepted the goods.

The credit periods granted by the Group to customers in various industries are consistent with the practices of various industries, therefore, there is no significant financing component.

The Group provides product quality assurance for the sales of products and recognises corresponding provisions (Note V. 34). The Group does not provide any additional services or additional quality assurance, so the product quality assurance does not constitute a separate fulfilment obligation.

The Group's cooperation model with distributors is outright sales, and the recognition of sales revenue under the distribution model is consistent with the direct sales model.

(2) Revenue from project engineering contracts

For construction services provided by the Group during the performance of contracts that have no alternative use, where the Group has an enforceable right to payment for performance completed to date over the contract term, the Group treats these as performance obligations satisfied over time. Revenue is recognised by measuring progress using the input method, which is to recognise revenue on the basis of the Group's efforts or inputs toward satisfying the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. For contracts where the terms do not convey an enforceable right to payment for performance completed to date over the contract term, these do not meet the criteria for performance obligations satisfied over time. The Group treats these as performance obligations satisfied at a point in time. The Group typically recognises revenue at the point in time when control of the related goods transfers, considering factors such as the present right to payment, transfer of significant risks and rewards of ownership, transfer of legal title, physical possession of the asset, and customer acceptance.

(3) Revenue from rendering of installation, research and development, design and other services

The Group provides external installation, research and development, design and other services, and recognises revenues over a period of time based on the progress of completed labour services. The progress of completed labour 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 fulfilment of the contract.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**24. Revenue (Continued)****(4) Revenue from rendering of freight forwarding services**

The logistics services provided by the Group mainly include “integrated” multimodal transport business, professional logistics services, terminals and value-added services. The “integrated” multimodal transport business mainly refers to the Group’s integration of global transportation resources to provide customers with comprehensive and standardised logistics services combining “river, sea, land, rail and air” transportation modes, which can be specifically divided into maritime business, air transportation business and land transportation business. In accordance with the requirements of the contract, revenue is recognised based on the completion of the services when the corresponding goods arrive and leave the port, obtain the corresponding receipts. The professional logistics services, terminals and value-added services provided by the Group are subject to the requirements of the contract, and the revenue is recognised based on the completion of the corresponding services.

(5) Revenue from steel product trading and agency services

For the Group’s trading, processing and sales of primarily steel products, as well as steel trading agency services, the Group delivers the goods to the designated delivery location in accordance with the contract terms. Revenue is recognised when the customer obtains acceptance of the goods and control has transferred.

In the steel product trading business, the Group procures relevant products based on market supply and demand dynamics as well as customer order requirements. After obtaining the steel products from third parties, the Group either directly transfers them to customers or processes the goods before transferring them to customers. The Group comprehensively considers whether it bears the primary responsibility for delivering the products and ensuring they meet customer specifications and quality requirements, whether it has discretion in selecting suppliers and determining procurement pricing with availability of many alternative qualified suppliers, and whether it has the right to decide the sales counterparty and pricing, while also bearing significant inventory risks. If the Group is deemed to control the steel products prior to transfer to the customer, then it is the principal and recognises revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognises revenue based on the expected commission or service fee, which is the net amount after deducting payments to other parties from the total consideration, or based on a pre-determined commission amount or percentage.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. 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, post-employment benefits and termination 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. Actual short-term wages are recognised 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.

(2) Post-employment benefits

The Group classifies post-employment benefits into defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefits 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 post-employment 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. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. After retirement, local labour and social security bureau is responsible for paying the pension benefit to the retired employees. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**25. Employee benefits (Continued)****(3) Termination benefits**

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

The termination benefits expected to be settled within one year since the balance sheet date are classified as employee benefits payable.

26. Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including refund of taxes and financial subsidies.

A government grant is recognised 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 for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income represent those government grants other than related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income and used to compensate related costs or losses in coming periods are recognised as deferred income and are recognised as profit or loss or deducted related cost in the period of related costs and expenses realised. Government grants related to income used to compensate related expenses or losses occurred are directly recognised as current year's profit or loss or deducted related costs. The Group uses the same presentation method to disclosure government grants in the same category.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Government grants (Continued)

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 recorded 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.

27. 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:

- 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;
- the Group has entered a legally enforceable sales agreement with other parties and obtained relevant approval, and the sales transaction is expected to be completed within one year.

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 recognised 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 recognised 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:

- it represents a separate major line of business or geographical area of operations;
- it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- 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.

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**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)****28. Deferred tax assets and deferred tax liabilities**

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for a temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination where the initial recognition of assets or liabilities does not result in equal taxable temporary differences and deductible temporary differences, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised 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 differences, and it is probable that the temporary differences will not be reversed 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 recognised.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset when:

- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities;
- the deferred tax assets and deferred tax liabilities are related to the same tax payer within the Group and the same taxation authority, or related to different tax payers. However, in each future period when deferred tax assets and liabilities of importance are reversed, the involved tax payers intend to settle the current income tax assets and liabilities at a net amount or to acquire assets and settle liabilities at the same time.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. 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.

(1) The Group as the lessee

At the commencement date, the Group shall recognise 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 recognised 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 non-current liabilities due within one year.

Right-of-use assets comprise leased buildings, land use rights, machinery and equipment, motor vehicles, office and other equipment. 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 recognising 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 lease scope 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Leases (Continued)

(1) The Group as the lessee (Continued)

When the lease change is not accounted for as a separate lease, the Group will re-determine the lease term on the effective date of the lease change, except for the simplified method for contract changes prescribed by the Ministry of Finance. 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 to be shortened, the Group will correspondingly reduce the carrying amount of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in profit and loss for the current period. If other lease changes cause the lease liability to be remeasured, the Group will adjust the carrying amount of the right-of-use asset accordingly.

For eligible rent concessions agreed on existing lease contracts, the Group applies the practical expedient and records the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with corresponding adjustment of lease liabilities.

(2) 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.

(a) Operating leases

Where the Group leases out self-owned buildings, machinery and equipment, and motor vehicles under operating leases, rental income is recognised on a straight-line basis over the lease term. Variable rental that is linked to a certain percentage of sales is recognised 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 advances or lease receivables related to the lease before the change as the new lease payment.

(b) Finance leases

At the commencement date, the Group recognises the finance lease receivables under a finance lease and derecognises 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Hedge accounting

Hedge accounting method refers to the method of recording the gains or losses generated by the hedging instrument and the hedged item into the current profit or loss (or other comprehensive income) in the same accounting period to reflect the impact of risk management activities.

The hedged item is the item that makes the Group face the risk of changes in fair value or cash flow and is designated as the hedged object and can be reliably measured. The Group's hedging mainly includes cash flow hedging.

The hedging instrument is a financial instruments designated by the Group for hedging, whose changes in fair value or cash flow are expected to offset the changes in fair value or cash flow of the hedged item.

The Group continuously evaluates whether the hedging relationship meets the requirements of hedging effectiveness on the hedging start date and in subsequent periods. When the hedging meets the following conditions at the same time, the Group asserts that the hedging relationship meets the hedging effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- In the value change caused by the economic relationship between the hedged item and the hedging instrument, the impact of credit risk does not dominate;
- The hedging ratio of a hedging relationship shall be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of hedging instruments hedging them.

If the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objective of the designated hedging relationship has not changed, the Group rebalances the hedging relationship and adjusts the number of hedged items or hedging instruments in the existing hedging relationship to make the hedging ratio meet the hedging effectiveness requirements again.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Hedge accounting (Continued)

In case of any of the following circumstances, the Group will terminate the use of hedge accounting:

- Due to changes in risk management objectives, the hedging relationship no longer meets the risk management objectives;
- The hedging instrument has expired, been sold, the contract has been terminated or has been exercised;
- The economic relationship between the hedged item and the hedging instrument no longer exists, or the impact of credit risk begins to dominate in the value change caused by the economic relationship between the hedged item and the hedging instrument;
- The hedging relationship no longer meets other conditions for applying the hedging accounting method.

(1) Cash flow hedge

Cash flow hedging refers to the hedging of exposure to cash flow changes. The part of the gains or losses arising from the hedging instruments that are valid for hedging is included in the Group's other comprehensive income as a cash flow hedging reserve. The amount of the cash flow hedge reserve is the lower of the absolute amount of:

- The accumulated gains or losses of the hedging instrument since the beginning of hedging;
- The cumulative change in the present value of the estimated future cash flows of the hedged item since the beginning of the hedged item.

The amount of the cash flow hedge reserve included in other comprehensive income for each period is the change in the cash flow hedge reserve for the current period.

The part of the profit or loss generated by the hedging instrument that is not valid for the hedging is included in the current profit or loss.

When the hedged item is an anticipated transaction and the anticipated transaction causes the Group to subsequently recognise a non-financial asset or non-financial liability, or when the anticipated transaction of a non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedge accounting, the Group transfers the amount of the cash flow hedge reserve originally recognised in other comprehensive income, the initial recognized amount credited to the asset or liability.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Hedge accounting (Continued)

(1) Cash-flow hedge (Continued)

For cash flow hedges that do not fall under the above circumstances, the Group transfers the amount of cash flow hedged reserve originally recognised in other comprehensive income to profit or loss during the same period as the expected cash flows hedged affect profit or loss.

When the Group discontinues the use of hedge accounting for cash flow hedges, the amount of the accumulated cash flow hedge reserve recognised in other comprehensive income is treated in accordance with the following accounting policies:

- If the hedged future cash flows are still expected to occur, the amount of the accumulated cash flow hedge reserve shall be retained and accounted for in accordance with the above accounting policies for cash flow hedging;
- If the hedged future cash flow is no longer expected to occur, the amount of the accumulated cash flow hedge reserve is transferred from other comprehensive income and recorded in the current profit or loss.

31. Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

Distributions of dividends or profits proposed in the profit appropriation plan which will be authorised and declared after the balance sheet date, are not recognised as a liability at the balance sheet date but disclosed in the notes separately.

32. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, 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.

In addition, the Group also determines the related parties of the Group or the Company in accordance with the Administrative Measures for Information Disclosure of Listed Companies issued by the CSRC.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**33. Segment reporting**

Reportable segments are identified and segment information is disclosed 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 is 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 accounting information regarding financial position, financial performance and cash flows, etc.

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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(1) Key judgements in applying the accounting policies

(a) *Criteria for significant increase in credit risk and credit-impaired*

Judgement of the Group for significant increase in credit risk and credit-impaired is mainly based on whether the number of overdue days exceeds credit term, or whether one or more of the following indicators changed significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, significant decrease in value of collateral or credit rate of guarantor, the debtor is suffering significant financial difficulties, engaged in other debt restructuring, or it is probable that the debtor will enter bankruptcy, etc.

(b) *Judgement of income from trading of steel products as a primary responsible person or agent*

In the steel product trading business, the Group procures relevant products based on market supply and demand dynamics as well as customer order requirements. After obtaining the steel products from third parties, the Group either directly transfers them to customers or processes the goods before transferring them to customers. The Group comprehensively considers whether it bears the primary responsibility for delivering the products and ensuring they meet customer specifications and quality requirements, whether it has discretion in selecting suppliers and determining procurement pricing with availability of many alternative qualified suppliers, and whether it has the right to decide the sales counterparty and pricing, while also bearing significant inventory risks. If the Group is deemed to control the steel products prior to transfer to the customer, then it is the primary responsible person and recognises revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognises revenue based on the expected commission or service fee, which is the net amount after deducting payments to other parties from the total consideration, or based on a pre-determined commission amount or percentage.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(Continued)

34. Critical accounting estimates and judgements (Continued)

(2) Critical accounting estimates and key assumptions

(a) *Measurement of ECL*

The Group calculates ECL through default risk exposure and ECL rate, and determines the ECL rate based on default probability and default loss rate or the ageing matrix. In determining the ECL rate, the Group uses data such as internal historical credit losses experience and adjusts historical data based on current conditions and forward-looking information.

When considering forward-looking information, the Group has considered different macroeconomic scenarios. In 2024, the weights of "benchmark", "unfavourable" and "favourable" economic scenarios are 68%, 16% and 16% respectively. The Group regularly monitors and reviews important macroeconomic assumptions and parameters related to the calculation of ECL, including the growth rate of Gross Domestic Product ("**GDP**"), inflation rate, China's merchandise exports as a percentage of nominal GDP, U.S. nominal retail sales growth rate, Chinese fiscal balance and Chinese money supply growth rate. In 2024, the Group considered the uncertainty under different macroeconomic scenarios and updated the relevant assumptions and parameters.

(b) *Impairment of long-term assets*

As described in Note III.20, if a long-term asset (including fixed assets, construction in progress, long-term equity investments, intangible assets and right-of-use assets) and goodwill with an indication of impairment is tested for impairment at each balance sheet date and it indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an assets impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less costs of disposal and the present value of the future cash flows expected to be derived from it, which require the use of estimates.

The Group uses the estimate of present value of future cash flows to determine the recoverable amount. As there are uncertainties of the economic environment of relevant region, the revenue growth rate, gross profit margin and pre-tax discount rate used in calculating the present value of estimated future cash flows are also subject to uncertainties.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Critical accounting estimates and judgements (Continued)

(2) Critical accounting estimates and key assumptions (Continued)

(b) *Impairment of long-term assets (Continued)*

If the management revises the growth rate used in the calculation of the future cash flow of the relevant asset group, and the revised growth rate is lower than the currently adopted growth rate, the Group needs to increase the provision for impairment of relevant assets.

If the management revises the gross profit margin used in the future cash flow calculation of the relevant asset group, and the revised gross profit margin is lower than the gross profit margin currently used, the Group needs to increase the provision for impairment of relevant assets.

If the management revises 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 needs to increase the provision for impairment of relevant assets.

If the actual growth rate and gross profit margin are higher or actual pre-tax discount rate is lower than the management's estimate, the Group cannot reverse the relevant asset impairment losses that have been previously accrued.

(c) *Provision for impairment of inventories*

As described in Note III.11, the net realisable value of inventories is under the management's regular review, and as a result, the decline in the value of inventories is recognised 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 profit or loss may then be affected in the current period when the provision for impairment of inventories is adjusted.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Critical accounting estimates and judgements (Continued)

(2) Critical accounting estimates and key assumptions (Continued)

(d) *Depreciation and amortisation of assets such as fixed assets and intangible assets*

As described in Note III.14 and 17, fixed assets, intangible assets and other assets are depreciated and amortised over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed by the Group to determine the depreciation and amortisation 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 previous estimates, depreciation and amortisation expenses will be adjusted in future periods.

(e) *Warranties*

As described in Note V.34, the Group makes provisions under the warranties it gives on the sales of its products based mainly on the Group's recent maintenance 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.

(f) *Completion progress of the project engineering contract*

As described in Note III.24, contract revenue and contract profit are recognised based on the stage of completion of a contract which is determined with reference to the proportion of the accumulated actual contract costs incurred to the total estimated contract costs or actual 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 recognised based on its stage of completion, is not recognised 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 changes of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Critical accounting estimates and judgements (Continued)

(2) Critical accounting estimates and key assumptions (Continued)

(g) *Income taxes and deferred income taxes*

The Group is subject to corporate 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 judgement 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 IV.2, some of the subsidiaries of the Group are high-tech enterprises. The validity period of the high-tech enterprise qualification is 3 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 recognised deferred tax assets, deferred tax liabilities and income tax expenses.

For the deductible losses that can be carried forward in subsequent years, the Group shall recognise the corresponding deferred 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 realise 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 judgements 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 carrying amount of deferred tax assets.

(h) *Estimation of fair value of investment properties*

The Group recognised the fair value of the investment properties based on the valuation assessed by the independent professional valuer, the valuation assessed by management or quotes from potential independent third-party buyers. To assess the fair value of investment properties, as stated in Note IX.1, several significant judgements and assumptions are used.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Significant changes in accounting policies

In 2024, the Group has adopted the accounting requirements and guidance under Accounting Standards for Business Enterprises newly issued by the Ministry of Finance, mainly include:

- (1) The provisions on “the classification of current liabilities and non-current liabilities” under Interpretation No. 17 of Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21) (“Interpretation No. 17”).

According to the provisions of Interpretation No. 17, in classifying the liquidity of liabilities, the Group only considers whether as at the balance sheet date, it has the substantive right to defer the repayment of liabilities to more than one year after the balance sheet date (“**right to defer the repayment of liabilities**”), and does not take into consideration whether it has the subjective possibility to exercise the aforesaid right.

For liabilities arising from the Group’s loan arrangements, if the Group’s right to defer the repayment of liabilities is subject to the compliance with the conditions specified in the loan arrangement (“**contractual conditions**”), in classifying the liquidity of the relevant liabilities, the Group only considers the contractual conditions that should have been complied with on or before the balance sheet date, and does not take into consideration the impact of such contractual conditions subsequent to the balance sheet date.

For liabilities to be settled by the Group by way of delivering its own equity instruments at the option of the counterparty, if the Group shall classify the such options as equity instruments in accordance with the provisions under No. 37 of Accounting Standards for Business Enterprises – Presentation of Financial Instruments and recognise them separately as the equity component of a compound financial instrument, the classification of the liquidity of these liabilities will not be affected. In contrast, if the aforesaid options cannot be classified as equity instruments, the classification of the liquidity of liabilities will be affected.

The adoption of the requirement does not have a significant impact on the financial position and operation results of the Group.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Significant changes in accounting policies (Continued)

- (2) The provisions on “the presentation accounting treatment of assurance-type warranty expenses for warranty type guarantees that do not constitute a single performance obligation” under Interpretation No. 18 of Accounting Standards for Business Enterprises (Cai Kuai [2024] No. 24) (“Interpretation No. 18”).

According to the provisions of Interpretation No. 18, the Group will include the assurance-type warranty expenses accrued by the Group into “cost of sales from main operations” or “cost of sales from other operations” and will no longer include them into “selling and distribution expenses”.

The Group has adopted the retrospective adjustment method to make corresponding adjustments to the financial statement data for the comparable period.

(a) *Impacts of the changes on the current financial statements*

The effects of the above changes in accounting policies on the consolidated income statement for 2024 are as follows:

	Increase/(decrease) in the line items as a result of applying new accounting policies	
	2024	2023
Cost of sales	323,239	231,230
Selling and distribution expenses	(323,239)	(231,230)

The above changes in accounting policies do not affect the financial statements of the Company.

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IV. TAXATION

1. Main taxes categories and rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	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%
Corporate income tax	Taxable income	Note 1
Sales tax/VAT in the United States/Germany/United Kingdom	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	6% – 20%

Note 1: The income tax rates applicable to the Company and the major subsidiaries for the year are as follows:

	2024	2023
The Company	25%	25%
Subsidiaries registered in China	15% – 25%	15% – 25%
Subsidiaries registered in Hong Kong, China	16.5% – 25%	16.5% – 25%
Subsidiaries registered in British Virgin Islands	–	–
Subsidiaries registered in U.S.	21%	21%
Subsidiaries registered in Germany	15.83% – 36.13%	15.83% – 36.13%
Subsidiaries registered in Britain	19% – 25%	19% – 25%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25.8%	25.8%
Subsidiaries registered in Belgium	25%	25%
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	20.6%	20.6%
Subsidiaries registered in Cayman Islands	–	–
Subsidiaries registered in Malaysia	24%	24%

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IV. TAXATION (Continued)

2. Preferential tax treatments

In 2024, the following major subsidiaries of the Company have obtained the High-tech Enterprise Certificate, which is valid for 3 years. According to the relevant provisions of Article 28 of the *Corporate Income Tax Law of the People's Republic of China*, the following subsidiaries of the Group can enjoy the preferential corporate income tax policies at the rate of 15% during the validity period:

Name of enterprises	Local statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	15%	High-tech enterprise
Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	15%	High-tech enterprise
Yangzhou Runyang Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Qingdao CIMC Special Reefer Co., Ltd.	25%	15%	15%	High-tech enterprise
Beijing CIMC Zhiben Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Cold Cloud (Beijing) Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Hunan CIMC New Material Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Wuhu CIMC Ruijiang Automobile Co., Ltd.	25%	15%	15%	High-tech enterprise

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IV. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	15%	High-tech enterprise
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	25%	15%	15%	High-tech enterprise
Dongguan CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprise
Zhumadian CIMC Huajun Vehicle Casting Co., Ltd.	25%	15%	15%	High-tech enterprise
Shandong Master Special Purpose Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	15%	High-tech enterprise
Qingdao CIMC Reefer Trailer Co., Ltd.	25%	15%	15%	High-tech enterprise
Jiangsu Baojing Auto Parts Co., Ltd.	25%	15%	15%	High-tech enterprise
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	15%	High-tech enterprise

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IV. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Enric Engineering Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	15%	High-tech enterprise
Nantong CIMC Energy Equipment Co, Ltd.	25%	15%	15%	High-tech enterprise
CIMC Liquid Process Technologies Co., Ltd.	25%	15%	15%	High-tech enterprise
Nantong CIMC Pacific Ocean Engineering Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd.	25%	15%	15%	High-tech enterprise
Sichuan Chuanxiao Fire Safety Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenzhen CIMC-Tianda Jirong Aviation Air-conditioning Co., Ltd.	25%	15%	15%	High-tech enterprise

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IV. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
CIMC Security Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Shanghai CIMC TGE Gas Engineering Co., Ltd.	25%	15%	15%	High-tech enterprise
Dalian CIMC Special Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Taicang CIMC Special Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Chengdu Lanshi Low-Temperature Technology Co., Ltd.	25%	15%	15%	High-tech enterprise
Yantai Tiezhongbao Steel Processing Co., Ltd.	25%	15%	15%	High-tech enterprise

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IV. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Allied Best (China) Fire Safety Equipment Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprise
Pteris Global(Beijing)Limited	25%	15%	15%	High-tech enterprise
CIMC Deli Logistics System (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Safeway Technologies Co., Ltd.	25%	15%	15%	High-tech enterprise
ANJIEHUI IOT information technology (suzhou)Co., Ltd	25%	15%	15%	High-tech enterprise
Zhangjiagang CIMC Shengdayin Engineering Co., Ltd	25%	15%	15%	High-tech enterprise
CIMC Vehicles (Shandong) Co., Ltd.	25%	15%	15%	High-tech enterprise
CIMC Vehicles (Jiangmen) Co., Ltd.	25%	15%	15%	High-tech enterprise
Taicang CIMC Reefer Logistics Equipment Co., Ltd.	25%	15%	15%	High-tech enterprise
Qingdao CIMC Chuangying Composites Co., Ltd.	25%	15%	15%	High-tech enterprise
Shenyang Jietong Fire Truck Co., Ltd.	25%	15%	15%	High-tech enterprise

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IV. TAXATION (Continued)

2. Preferential tax treatments (Continued)

Name of enterprises	Local statutory tax rate	Preferential tax rate		Reasons
		2024	2023	
Langfang CIMC Airport Support Co., Ltd.	25%	15%	15%	High-tech enterprise
Yantai CIMC Raffles Offshore Ltd.	25%	15%	15%	High-tech enterprise
Longkou CIMC Raffles Offshore Ltd.	25%	15%	15%	High-tech enterprise
HAIYANG CIMC RAFFLES OFFSHORE LTD.	25%	15%	15%	High-tech enterprise
Xinfa Airport Equipment Ltd.	25%	15%	15%	High-tech enterprise
Fujian CIMC New Energy Technology Co., Ltd.	25%	15%	25%	High-tech enterprise
Nantong CIMC Yuanneng Integrated Technology Co., Ltd.	25%	15%	25%	High-tech enterprise
Yangzhou CIMC Intelligent Equipment Co., Ltd.	25%	15%	25%	High-tech enterprise
Guangdong CIMC Building Construction Co. Ltd.	25%	15%	25%	High-tech enterprise
Shenzhen CIMC Construction Co., Ltd.	25%	15%	25%	High-tech enterprise

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to Note VII.1 and Note V.14 for the definition of subsidiaries, associates and joint ventures.

1. Cash at bank and on hand

	31 December 2024	31 December 2023
Cash in hand	3,975	6,671
Bank deposits (i)	19,000,026	19,960,561
Other cash balances	2,617,311	1,357,219
Total	21,621,312	21,324,451
Including: Total cash abroad	5,405,654	3,526,068

- (i) As at 31 December 2024, bank deposits included time deposits of RMB1,335,104,000 (31 December 2023: RMB612,990,000) due over three months and within one year of Enric, a subsidiary of the Group.
- (ii) As at 31 December 2024, restricted Cash at bank and on hand of the Group amounted to RMB2,637,728,000 (31 December 2023: RMB2,137,353,000), including bank deposits of RMB436,949,000 (31 December 2023: RMB1,018,259,000), mainly restricted by the required reserves deposited with the central bank; and other cash balances of RMB2,200,779,000 (31 December 2023: 1,119,094,000), restricted due to guarantee (Note V.25).

As at 31 December 2024, restricted Cash at bank and on hand of the Group mentioned above included deposits of CIMC Finance Company ("**Finance Company**"), a subsidiary of the Group, in the People's Bank of China, amounting to RMB419,838,000 (31 December 2023: RMB402,642,000). Finance Company is a finance institution authorised by the National Financial Regulatory Administration (formerly known as China Banking Regulatory Commission).

2. Financial assets held for trading

	31 December 2024	31 December 2023
Monetary fund and equity investments (i)	1,346,116	320,052
Contingent consideration	13,004	17,704
Total	1,359,120	337,756

- (i) They mainly comprise monetary fund and equity investments purchased by Finance Company and CIMC Capital Holdings Limited ("**CIMC Capital**"), the Group's subsidiaries, respectively. The fair value of the fund is determined based on the statement of net assets value provided by Fund Company as at 31 December 2024, and the value of the equity is determined based on the fair value as at 31 December 2024.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative financial assets and derivative financial liabilities

	Note	31 December 2024	31 December 2023
Derivative financial assets –			
Forward foreign exchange contracts	(1)	3,605	267,183
Foreign exchange option contracts	(2)	7,512	16,916
Exchange rate/interest rate swap contracts		25	39,342
Sub-total		11,142	323,441
Less: Derivative financial assets due more than one year (Note V.13)		–	(22,086)
Total		11,142	301,355
Derivative financial liabilities –			
Forward foreign exchange contracts	(1)	80,392	260,696
Foreign exchange option contracts	(2)	253,960	6,827
Exchange rate/interest rate swap contracts		10,876	7,785
Commitment to minority interests	(3)	–	1,425,969
Sub-total		345,228	1,701,277
Less: Non-current portion of derivative financial liabilities (Note V.41)		(461)	(5,159)
Total		344,767	1,696,118

(1) Forward foreign exchange contracts

As at 31 December 2024, the Group had certain unsettled forward foreign exchange contracts, mainly denominated in USD, GBP, EUR, HKD and AUD. The nominal amount of these contracts amounted to USD 409,211,000, GBP 20,589,000, EUR 88,799,000, HKD 33,540,000 and AUD 4,000,000 respectively. Pursuant to these forward foreign exchange contracts, the Group are required to buy/sell foreign currencies, such as USD, GBP, EUR, HKD and AUD of contracted nominal amount at agreed rates in exchange of RMB at the contract settlement dates. These forward foreign exchange 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 forward foreign exchange contracts range from 10 January 2025 to 26 December 2025.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative financial assets and derivative financial liabilities (Continued)

(2) Foreign exchange option contracts

As at 31 December 2024, the Group had certain unsettled foreign exchange option contracts mainly denominated in USD, JPY, EUR and HKD. The nominal amount of these contracts amounted to USD 3,357,300,000, JPY 30,000,000, EUR 450,000 and HKD 100,000,000 respectively. Pursuant to these foreign exchange option contracts, the Group are required to buy/sell foreign currencies, such as USD, JPY, EUR and HKD of contracted nominal amount at agreed rates in exchange of RMB at the contract settlement dates. These foreign exchange option 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 foreign exchange option contracts range from 3 January 2025 to 20 June 2025.

(3) Commitment to minority interests

CIMC Hong Kong, a wholly-owned subsidiary of the Group, shall compensate CIMC Offshore's minority shareholders for the difference below the agreed amount when they exit through the sales of equity to a third party. The Group recognises derivative financial liabilities at fair value against its obligation to make up for this difference in previous years. On 28 June 2024, the Group exercised the pre-emptive right and signed the relevant equity transfer agreement and differential compensation agreement with CIMC Offshore's minority shareholders. In July 2024, the Company completed the payment of the differential compensation of RMB1,413,164,000.

4. Notes receivables

(a) Classification of notes receivables

	31 December 2024	31 December 2023
Bank acceptance notes	199,293	312,456
Trade acceptance notes	570,298	422,448
Subtotal	769,591	734,904
Less: Provision for bad debts	(1,868)	(2,705)
Total	767,723	732,199

- (b) As at 31 December 2024, the pledged notes receivable of the Group presented in the notes receivables was RMB8,999,000 (2023: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivables (Continued)

- (c) As at 31 December 2024, notes receivables endorsed or discounted but not due, presented as notes receivables of the Group are as follows:

	Derecognised	Not derecognised
Bank acceptance notes (i)	—	90,207
Trade acceptance notes	—	181,750
Total	—	271,957

- (i) In 2024 and 2023, some subsidiaries of the Group managed some of the notes receivables with the business model targeted for the collection of contractual cash flows as well as the sale of notes receivables. Therefore, bank acceptance notes meeting the above conditions and business model were classified as financial assets at fair value through other comprehensive income, and presented as receivables financing (Note V.6). Remaining bank acceptance notes and trade acceptance notes which do not meet the above conditions and business model were presented as notes receivables.

(d) Provision for bad debts

As at 31 December 2024, for bank acceptance notes, the Group measured the provision for bad debts according to the lifetime ECL. The Group believes that there was no significant credit risk of the bank acceptance notes within this group and will not cause significant losses due to bank default. For trade acceptance notes, the Group measured the provision for bad debts according to the lifetime ECL. The provision for bad debts on notes receivable in the current year amounted to RMB1,570,000 (31 December 2023: RMB1,500,000). The provision for bad debts amounting to RMB2,303,000 (2023: RMB398,000) has been collected or reversed. No significant provision for bad debts was collected or reversed.

5. Accounts receivable

	31 December 2024	31 December 2023
Accounts receivable	33,271,005	24,120,988
Less: Provision for bad debts	(1,615,187)	(1,171,515)
Total	31,655,818	22,949,473

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

- (a) The aging analysis of accounts receivable from the date of the initial recognition was as follows:

	31 December 2024	31 December 2023
Within 1 year (inclusive)	30,193,870	21,172,829
1 to 2 years (inclusive)	1,676,361	1,428,275
2 to 3 years (inclusive)	708,843	654,484
Over 3 years	691,931	865,400
Subtotal	33,271,005	24,120,988
Less: Provision for bad debts	(1,615,187)	(1,171,515)
Total	31,655,818	22,949,473

- (b) As at 31 December 2024, the five largest balances of accounts receivable and contract assets are analysed as follows, accumulated by arrearage parties:

	Balance of accounts receivable	Balance of contract assets	Provision for bad debts	% of total accounts receivable and contract assets
Total of the five largest accounts receivable and contract assets	7,333,678	—	2,107	22.04%

- (c) Accounts receivable derecognised due to transfer of financial assets:

In 2024, the Group had no accounts receivable derecognised due to transfer of financial asset.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(d) Provision for bad debts

For the accounts receivable of the Group, whether there is a significant financing component or not, the loss provision is measured according to lifetime ECL.

Provision for bad debts on accounts receivable by category is analysed as follows:

	31 December 2024				31 December 2023			
	Book value		Provision for bad debts		Book value		Provision for bad debts	
	Amount	% of total balance	Amount	Accrual rate	Amount	% of total balance	Amount	Accrual rate
Provision for bad debts on an individual basis (i)	3,008,541	9.04%	839,029	27.89%	749,725	3.11%	387,208	51.65%
Provision for bad debts on a collective basis (ii)	30,262,464	90.96%	776,158	2.56%	23,371,263	96.89%	784,307	3.36%
Total	33,271,005	100.00%	1,615,187	4.85%	24,120,988	100.00%	1,171,515	4.86%

- (i) As at 31 December 2024, accounts receivable with amounts that the related provision for bad debts was set aside on the individual basis are analysed as follows:

	Book value	Lifetime ECL rate	Provision for bad debts	Reason
Containers manufacturing business	2,324,490	11.30%	262,646	Due to significant financial difficulties encountered by certain debtors during the year, the Group has made provisions based on the expected credit loss amount.
Road transportation vehicles business	308,394	73.70%	227,294	
Airport facilities and logistics equipment, fire safety and rescue equipment business	146,442	100.00%	146,442	
Energy, chemical and liquid food equipment business	140,743	85.39%	120,175	
Offshore engineering business	47,719	87.43%	41,719	
Logistics services business	40,753	100.00%	40,753	
Total	3,008,541		839,029	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(d) Provision for bad debts (Continued)

- (ii) As at 31 December 2024, accounts receivable that are assessed for impairment on a collective group basis are as follows:

Collectively assessed 1 – Containers manufacturing business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	8,742,989	0.02%	2,014	3,861,128	0.02%	758
Overdue within 1 month	555,443	0.29%	1,632	585,502	0.33%	1,943
Overdue for 1 to 3 months	223,845	0.55%	1,236	378,637	0.57%	2,174
Overdue for 3 to 12 months	115,216	2.22%	2,561	491,472	2.28%	11,224
Overdue for 1 to 2 years	16,168	5.96%	963	172,289	6.17%	10,631
Overdue for 2 to 3 years	964	100.00%	964	340	100.00%	340
Total	9,654,625		9,370	5,489,368		27,070

Collectively assessed 2 – Road transportation vehicles business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	2,370,549	0.39%	9,172	2,481,763	2.08%	51,515
Overdue within 1 month	392,398	5.06%	19,870	491,179	8.17%	40,134
Overdue for 1 to 3 months	238,665	5.06%	12,086	298,745	8.17%	24,410
Overdue for 3 to 12 months	363,950	5.06%	18,430	455,569	8.17%	37,224
Overdue for 1 to 2 years	231,690	33.50%	77,616	62,551	36.80%	23,021
Overdue for 2 to 3 years	44,752	72.82%	32,588	42,537	77.14%	32,812
Overdue for 3 to 5 years	45,731	100.00%	45,731	23,813	100.00%	23,813
Overdue for more than 5 years	17,981	100.00%	17,981	26,088	100.00%	26,088
Total	3,705,716		233,474	3,882,245		259,017

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(d) Provision for bad debts (Continued)

- (ii) As at 31 December 2024, accounts receivable 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 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	2,594,212	1.77%	45,950	2,703,263	2.44%	65,828
Overdue within 1 month	285,850	3.03%	8,662	233,021	2.96%	6,898
Overdue for 1 to 3 months	141,013	3.03%	4,273	114,952	2.96%	3,403
Overdue for 3 to 12 months	251,015	5.41%	13,570	242,484	4.46%	10,815
Overdue for 1 to 2 years	58,984	16.68%	9,840	46,491	17.46%	8,119
Overdue for 2 to 3 years	30,320	41.39%	12,548	17,594	25.83%	4,545
Overdue for 3 to 5 years	15,538	60.38%	9,382	15,360	45.03%	6,917
Overdue for more than 5 years	30,896	100.00%	30,896	30,092	100.00%	30,092
Total	3,407,828		135,121	3,403,257		136,617

Collectively assessed 4 – Offshore engineering business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	3,406,749	0.81%	27,736	1,179,459	0.25%	2,956
Overdue within 1 month	1,531	5.16%	79	147	4.76%	7
Overdue for 1 to 3 months	16,757	5.16%	864	6,542	5.00%	327
Overdue for 3 to 12 months	14,339	5.16%	740	4,299	5.00%	215
Overdue for 1 to 2 years	10,834	37.10%	4,019	24,763	70.59%	17,479
Overdue for 2 to 3 years	24,763	70.59%	17,479	–	–	–
Overdue for 3 to 5 years	262	100.00%	262	18,581	100.00%	18,581
Total	3,475,235		51,179	1,233,791		39,565

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(d) Provision for bad debts (Continued)

- (ii) As at 31 December 2024, accounts receivable that are assessed for impairment on a collective group basis are as follows: (Continued)

Collectively assessed 5 – Airport facilities and logistics equipment, fire safety and rescue equipment business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	2,014,974	0.87%	17,532	1,950,298	0.81%	15,813
Overdue within 1 month	112,745	5.77%	6,508	159,847	5.51%	8,808
Overdue for 1 to 3 months	80,164	5.77%	4,627	267,553	5.51%	14,744
Overdue for 3 to 12 months	502,324	5.77%	28,994	319,338	5.51%	17,597
Overdue for 1 to 2 years	191,815	19.52%	37,442	258,335	19.05%	49,215
Overdue for 2 to 3 years	116,717	46.40%	54,161	100,037	44.79%	44,807
Overdue for more than 3 years	117,710	76.53%	90,089	102,226	84.04%	85,913
Total	3,136,449		239,353	3,157,634		236,897

Collectively assessed 6 – Logistics services business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	3,451,972	1.00%	34,521	2,609,749	0.87%	22,600
Overdue within 1 month	507,587	1.00%	5,075	379,638	1.00%	3,796
Overdue for 1 to 3 months	192,237	1.00%	1,923	143,779	1.00%	1,438
Overdue for 3 to 12 months	198,330	1.00%	1,983	148,336	1.00%	1,483
Overdue for 1 to 2 years	44,056	20.00%	8,811	64,171	20.00%	12,834
Overdue for 2 to 3 years	26,226	80.00%	20,981	8,415	80.00%	6,732
Overdue for more than 3 years	12,315	100.00%	12,315	15,334	100.00%	15,334
Total	4,432,723		85,609	3,369,422		64,217

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(d) Provision for bad debts (Continued)

- (ii) As at 31 December 2024, accounts receivable that are assessed for impairment on a collective group basis are as follows: (Continued)

Collectively assessed 7 – Recycled load business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	568,252	0.86%	4,863	641,678	0.27%	1,763
Overdue within 1 month	66,339	3.00%	1,991	76,487	3.00%	2,295
Overdue for 1 to 3 months	17,075	3.00%	512	45,363	3.00%	1,361
Overdue for 3 to 12 months	85,008	3.00%	2,550	45,436	3.00%	1,363
Overdue for 1 to 2 years	12,359	30.00%	3,708	3,703	30.00%	1,111
Overdue for more than 2 years	3,731	100.00%	3,731	3,073	100.00%	3,073
Total	752,764		17,355	815,740		10,966

Collectively assessed 8 – Other business:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Not overdue	1,630,874	0.04%	579	1,943,303	0.02%	393
Overdue within 1 month	7,143	0.87%	62	3,252	0.86%	28
Overdue for 1 to 3 months	34,121	1.17%	398	31,768	1.17%	371
Overdue for 3 to 12 months	20,307	1.17%	238	30,610	1.17%	359
Overdue for 1 to 2 years	2,098	39.99%	839	3,443	39.99%	1,377
Overdue for more than 2 years	2,581	100.00%	2,581	7,430	100.00%	7,430
Total	1,697,124		4,697	2,019,806		9,958

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

- (e) The provision for bad debts this year amounted to RMB563,904,000 (2023: RMB342,993,000). A provision for bad debts amounting to RMB62,469,000 has been collected or reversed (2023: RMB154,607,000). No significant provision for bad debts was collected or reversed.
- (f) The accounts receivable amounting to RMB12,202,000 was written off in current year (2023: RMB24,435,000), the provision for bad debts amounted to RMB12,202,000 in current year (2023: RMB24,435,000). No significant provision for bad debts was written off.
- (g) As at 31 December 2024, the Group has no accounts receivable pledged to the bank as a guarantee for short-term borrowings (2023: Nil).

6. Receivables financing

	31 December 2024	31 December 2023
Bank acceptance notes	1,146,071	1,062,982
Less: Provision for bad debts	–	(724)
Total	1,146,071	1,062,258

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. And they managed these notes with the aims of both receiving contractual cash flow and selling. Therefore, the bank acceptance notes and trade acceptance notes of the subsidiaries were classified as financial assets at fair value through other comprehensive income.

As at 31 December 2024, as the credit risk characteristics of these bank acceptance notes were similar, no provision for impairment was made individually. The Group believes that there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default.

The Group had no provision for bad debts (31 December 2023: RMB233,000), with RMB823,000 (2023: RMB284,000) collected or reversed.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Receivables financing (Continued)

The Group pledged some bank acceptance notes to the bank for the issuance of bank acceptance notes. As at 31 December 2024, the amount of pledged bank acceptance notes receivables disclosed in receivables financing was RMB10,038,000 (31 December 2023: RMB2,000,000).

As at 31 December 2024, except for Note V.4(c), the Group's bank acceptance notes endorsed or discounted but not yet due was RMB4,279,501,000 and all were derecognised.

	Derecognised	Not derecognised
Bank acceptance notes	4,279,501	–

In 2024, the Group did not write off significant receivables financing (2023: Nil).

7. Other receivables

	31 December 2024	31 December 2023
Assets purchased under reverse repurchase agreements	1,336,681	1,163,718
Deposits and guarantees	783,098	804,325
Receivables arising from financing for related parties X.4(4)	752,395	702,715
Dividends receivable	393,798	382,747
Disbursements	311,525	315,398
Receivables from demolition compensation	211,764	14,202
Tax refund receivables	181,636	166,425
Government grants receivable	22,272	18,388
Receivables from share capital increase/transfer	14,328	–
Interest receivable	7,548	4,787
Others	1,101,039	1,291,788
Sub-total	5,116,084	4,864,493
Less: Provision for bad debts	(292,195)	(295,383)
Total	4,823,889	4,569,110

The Group did not include funds in other parties and present them on other receivables as a result of the centralised fund management.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(1) The ageing analysis of other receivables was as follows:

	31 December 2024	31 December 2023
Within 1 year	3,219,208	3,874,403
1 to 2 years	970,806	520,099
2 to 3 years	463,567	175,548
Over 3 years	462,503	294,443
Sub-total	5,116,084	4,864,493
Less: Provision for bad debts	(292,195)	(295,383)
Total	4,823,889	4,569,110

(2) Loss provision and changes in book value

The provision for other receivables are analysed by category as follows:

	31 December 2024				31 December 2023			
	Book value		Provision for bad debts		Book value		Provision for bad debts	
	Amount	% of total balance	Amount	Accrual rate	Amount	% of total balance	Amount	Accrual rate
Provision for bad debts individually assessed (ii)	2,851,176	56%	(216,867)	8%	2,735,917	56%	(187,022)	7%
Provision for bad debts collectively assessed (iv)	2,264,908	44%	(75,328)	3%	2,128,576	44%	(108,361)	5%
Total	5,116,084	100%	(292,195)	6%	4,864,493	100%	(295,383)	6%

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(2) Loss provision and changes in book value (Continued)

The provision for other receivables are analysed by category as follows: (Continued)

	31 December 2024					31 December 2023				
	First stage ECL in the next 12 months (collectively assessed)	First stage ECL in the next 12 months (individually assessed)	Third stage Lifetime ECL (suffered credit impairment) (collectively assessed)	Third stage Lifetime ECL (suffered credit impairment) (individually assessed)	Total	First stage ECL in the next 12 months (collectively assessed)	First stage ECL in the next 12 months (individually assessed)	Third stage Lifetime ECL (suffered credit impairment) (collectively assessed)	Third stage Lifetime ECL (suffered credit impairment) (individually assessed)	Total
1. The provision of bad debts										
Opening balance	94,329	31,966	14,032	155,056	295,383	95,052	24,923	18,038	185,816	323,829
Increase in current year	15,012	50,334	-	17,876	83,222	17,477	27,927	4,810	-	50,214
Reversal in current year	(34,316)	(1,728)	(14,032)	(36,637)	(86,713)	(18,200)	(20,884)	(7,389)	(30,760)	(77,233)
Write-off /transfer in current year	(45)	-	-	-	(45)	-	-	(1,427)	-	(1,427)
Currency translation differences	348	-	-	-	348	-	-	-	-	-
Closing balance	75,328	80,572	-	136,295	292,195	94,329	31,966	14,032	155,056	295,383
2. Year-end balance of other receivables	2,264,908	2,696,427	-	154,749	5,116,084	2,112,672	2,519,328	15,904	216,589	4,864,493
3. Accrual rate of provision for bad debts	3.33%	2.99%	-	88.07%	5.71%	4.46%	1.27%	88.23%	71.59%	6.07%

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(2) Loss provision and changes in book value (Continued)

- (i) As at 31 December 2024 and 31 December 2023, the Group had no other receivables at the second stage. Other receivables recognised at the first and the third stages were as follows:

As at 31 December 2024 and 31 December 2023, provision for bad debts of other receivables individually assessed is as follows:

- (ii) As at 31 December 2024, provision for bad debts of other receivables individually assessed is as follows:

First stage	Book value	ECL rate in the next 12 months	Provision for bad debts
Assets purchased under reverse repurchase agreements	1,336,681	—	—
Receivables arising from financing for related parties	739,776	8.64%	63,927
Deposits and guarantees	266,671	5.46%	14,559
Disbursements	23,547	2.20%	518
Tax refund receivables	434	—	—
Others	329,318	0.48%	1,568
Total	2,696,427	2.99%	80,572

Third stage	Book value	Lifetime ECL rate	Provision for bad debts
Disbursements	3,868	89.89%	3,477
Deposits and guarantees	21,943	72.66%	15,943
Others	128,938	90.64%	116,875
Total	154,749	88.07%	136,295

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(2) Loss provision and changes in book value (Continued)

(iii) As at 31 December 2023, provision for bad debts of other receivables individually assessed is as follows:

First stage	Book value	ECL rate in the next 12 months	Provision for bad debts
Assets purchased under reverse repurchase agreements	1,163,718	—	—
Receivables arising from financing for related parties	599,866	2.44%	14,630
Deposits and guarantees	269,533	5.99%	16,140
Disbursements	39,163	1.70%	665
Tax refund receivables	447	—	—
Receivables from demolition compensation	500	—	—
Others	446,101	0.12%	531
Total	2,519,328		31,966

Third stage	Book value	Lifetime ECL rate	Provision for bad debts
Receivables arising from financing for related parties	20,354	65.72%	13,376
Deposits and guarantees	6,370	100.00%	6,370
Disbursements	2,200	100.00%	2,200
Others	187,665	70.93%	133,110
Total	216,589		155,056

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(2) Loss provision and changes in book value (Continued)

- (iv) As at 31 December 2024 and 31 December 2023, provision for bad debts of other receivables collectively assessed is as follows:

	31 December 2024			31 December 2023		
	Book value	Loss provision		Book value	Loss provision	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
First stage						
Deposits and guarantees	494,484	7,297	1.48%	524,295	33,664	6.42%
Dividends receivable	393,798	—	—	382,747	—	—
Disbursements	284,110	1,461	0.51%	269,796	3,513	1.30%
Receivables from demolition compensation	211,764	—	—	13,702	—	—
Tax refund receivables	181,202	—	—	165,978	—	—
Government grants receivable	22,272	—	—	18,388	787	4.28%
Interest receivable	7,548	—	—	4,787	—	—
Receivables arising from financing for related parties	12,619	290	2.30%	82,495	2,062	2.50%
Receivables from share capital increase/transfer	14,328	—	—	—	—	—
Others	642,783	66,280	10.31%	650,484	54,303	8.35%
Total	2,264,908	75,328		2,112,672	94,329	

	31 December 2024			31 December 2023		
	Book value	Loss provision		Book value	Loss provision	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Third stage						
Disbursements	—	—	—	4,239	4,239	100.00%
Deposits and guarantees	—	—	—	4,127	4,127	100.00%
Others	—	—	—	7,538	5,666	75.17%
Total	—	—		15,904	14,032	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

- (3) The provision for bad debts in current year amounted to RMB83,222,000 (2023: RMB50,214,000). The provision for bad debts amounting to RMB86,713,000 has been collected or reversed (2023: RMB77,233,000). No significant other receivables were collected or reversed.
- (4) Other receivables amounting to RMB45,000 was written off in current year (2023: RMB1,427,000), the provision for bad debts amounted to RMB45,000 in current year (2023: RMB1,427,000), and no significant other receivables were written off.
- (5) As at 31 December 2024, the five largest balances of other receivables are analysed as follows, accumulated by arrearage parties:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Third-party securities companies	Assets purchased under reverse repurchase agreements	1,336,681	Within 1 year (inclusive)	26.13%	–
Yangzhou Jichuang Industrial Park Development Co., Ltd.(i)	Receivables arising from financing for related parties	739,776	Within 1 year (inclusive), 1 to 2 years (inclusive), 2 to 3 years (inclusive)	14.46%	63,927
Qianhai Jingji (Shenzhen) Industrial Development Co., Ltd (i)	Receivables from demolition compensation	211,764	Within 1 year (inclusive)	4.14%	–
Dongguan CIMC Innovation Industrial Park Development Co., Ltd. (i)	Dividends receivable, current accounts, etc	203,000	Within 1 year (inclusive), 3 to 5 years (inclusive)	3.97%	–
Tianjin Zhaoyin Jinyi Equipment Leasing Co., Ltd.	Guarantees	189,013	1 to 2 years (inclusive)	3.69%	–
Total		2,680,234		52.39%	63,927

- (i) Yangzhou Jichuang Industrial Park Development Co., Ltd. , Qianhai Jingji (Shenzhen) Industrial Development Co., Ltd and Dongguan CIMC Innovation Industrial Park Development Co., Ltd. are the subsidiaries of CIMC Industry & City (Note VII.2(1)).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Advances to suppliers

	31 December 2024	31 December 2023
Advances to suppliers	7,256,379	8,690,138
Less: Impairment provision	(207,414)	(206,508)
Total	7,048,965	8,483,630

(1) Ageing analysis of advance to suppliers was as follows:

	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	5,888,560	81.15%	7,251,614	83.45%
1 to 2 years (inclusive)	910,930	12.55%	793,145	9.13%
2 to 3 years (inclusive)	124,542	1.72%	165,579	1.90%
Over 3 years	332,347	4.58%	479,800	5.52%
Total	7,256,379	100.00%	8,690,138	100.00%

The ageing is calculated from the date that advance to suppliers were recognised.

As at 31 December 2024, the advance to suppliers aged over one year amounted to RMB1,367,819,000 (31 December 2023: RMB1,438,524,000), mainly for the Group's prepayments for construction related to energy and chemical as well as raw materials and equipment related to the offshore engineering business. As the production cycle of projects in clean energy and chemical industries as well as offshore engineering projects is usually more than 1 year, these advance to suppliers have not yet been settled.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Advances to suppliers (Continued)

- (2) As at 31 December 2024, the five largest balances of advance to suppliers are analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Total of the five largest advance to suppliers	1,828,671	25.20%

9. Inventories

- (1) Inventories summarised by categories are as follows:

	31 December 2024			31 December 2023		
	Book value	Provision for impairment of inventories and contract fulfilment costs	Carrying amount	Book value	Provision for impairment of inventories and contract fulfilment costs	Carrying amount
Raw materials	6,801,936	(326,488)	6,475,448	7,015,656	(294,948)	6,720,708
Finished goods and stocks	6,226,864	(178,600)	6,048,264	6,618,194	(110,744)	6,507,450
Products in progress	5,190,104	(61,034)	5,129,070	4,055,716	(80,252)	3,975,464
Offshore engineering project	1,182,694	(585,374)	597,320	1,186,889	(512,908)	673,981
Spare parts	403,552	(4,898)	398,654	431,049	(3,804)	427,245
Contract fulfilment costs (i)	477,674	(10,486)	467,188	298,233	(10,486)	287,747
Commissioned processing materials	257,583	(65)	257,518	281,293	(65)	281,228
Products under development in the industrial park	234,745	(3,064)	231,681	231,103	(3,064)	228,039
Completed products in the industrial park	63,710	(10,508)	53,202	63,618	(10,508)	53,110
Low-valued consumables	57,236	(1,067)	56,169	32,079	(1,067)	31,012
Materials in transit	21,171	–	21,171	14,118	–	14,118
Total	20,917,269	(1,181,584)	19,735,685	20,227,948	(1,027,846)	19,200,102

- (i) The book value of contract fulfilment costs is mainly the transportation costs incurred before the control of the goods is transferred to the customer, and the transportation costs incurred for the fulfilment of the sales contract and the engineering design expenses incurred for the completion of the engineering project. In 2024, the amortisation of contract fulfilment costs included in cost of sales totalled RMB743,828,000 (2023: RMB462,132,000).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Inventories (Continued)

(2) Provision for impairment of inventories and contract fulfilment costs is as follows:

Category	31 December 2023	Increase in current year Recognised	Decrease in current year		Translation difference of foreign currency statements	31 December 2024
			Reversal	Write-off		
Raw materials	294,948	137,673	(45,258)	(60,502)	(373)	326,488
Products in progress	80,252	1,128	(6)	(20,381)	41	61,034
Finished goods and stocks	110,744	107,290	(7,316)	(31,699)	(419)	178,600
Commissioned processing materials	65	–	–	–	–	65
Spare parts	3,804	1,989	–	(743)	(152)	4,898
Low-valued consumables	1,067	–	–	–	–	1,067
Completed products in the industrial park	10,508	–	–	–	–	10,508
Products under development in the industrial park	3,064	–	–	–	–	3,064
Offshore engineering project	512,908	74,433	–	(7,951)	5,984	585,374
Contract fulfilment costs	10,486	–	–	–	–	10,486
Total	1,027,846	322,513	(52,580)	(121,276)	5,081	1,181,584

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Inventories (Continued)

(3) Provision for impairment of inventories is as follows:

- (a) In 2024, the provision for impairment of the Group's inventories was recognised mainly for the price drop of certain products and the slow-moving or waste materials.

Reversal/Write-off of provision for impairment of the Group's inventories during the year is as follows:

Category	Basis for determining net realisable value	Reason for reversal/write-off
Raw materials	The estimated selling price of the finished product less the estimated cost to completion, estimated selling and distribution expenses and related taxes/ Market price	usage or sales of inventories/Increase in realisable value
Products in progress	The estimated selling price of the finished product less the estimated cost to completion, estimated selling and distribution expenses and related taxes	usage or sales of inventories/Increase in realisable value
Finished goods and stocks	The estimated selling price of the finished product less the estimated selling and distribution expenses and related taxes	usage or sales of inventories/Increase in realisable value
Spare parts	Market price	usage or sales of inventories/Increase in realisable value
Products completed (under development) in the industrial park	The estimated selling price of the products completed less the estimated cost to completion, estimated selling and distribution expenses and related taxes	usage or sales of inventories/Increase in realisable value
Offshore engineering project	The estimated selling price of inventories less estimated costs to completion, estimated selling and distribution expenses and related taxes	usage or sales of inventories/Increase in realisable value

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Contract assets

	31 December 2024	31 December 2023
Contract assets	9,813,150	7,281,975
Less: Contract assets impairment provision	(60,860)	(83,802)
Total	9,752,290	7,198,173

Regardless of whether there is a significant financing component in the contract assets, the Group measures the loss provision based on the lifetime ECL.

The business related to airport facilities and logistics equipment, fire safety and rescue equipment and customers usually agree to settle in stages. The typical settlement time points include: (1) prepay 10% – 30% of the contract price after the contract is signed; (2) prepay 60% – 70% of the contract price when the equipment arrives at the project site and passes the acceptance; (3) prepay 70% – 85% of the contract price if the project passes the preliminary acceptance; (4) prepay 90% – 95% of the contract price when the project passes the final acceptance; (5) when the warranty period of the project ends, the remaining contract price shall be paid. During project implementation, when the received or receivable contract price exceeds the completed labour services, the excess part shall be recognised as contract liabilities, otherwise it shall be recognised as contract assets.

Offshore engineering related businesses are usually settled in stages as agreed in the contract. Typical settlement time points include: (1) prepay 5% – 30% of the contract price within 1-15 days after the contract takes effect/the contract is signed; (2) 15% – 60% of the contract price shall be paid after the commencement of the project and the steel plate is cut; (3) 45% – 70% of the contract price shall be paid after the laying and final position of the ship keel are confirmed by the classification society and the buyer's representative; (4) 90% – 95% of the contract price shall be paid after the project is launched and tested; (5) after the delivery protocol/the registration of the ship is completed, the remaining contract price shall be paid. During project implementation, when the received or receivable contract price exceeds the completed labour services, the excess part shall be recognised as contract liabilities, otherwise it shall be recognised as contract assets.

The businesses related to energy, chemical and liquid food equipment are usually settled in sections as agreed in the contract. The typical settlement time points include: (1) after the effective date of the contract, the advance payment shall be paid according to 20% – 30% of the total contract price; (2) when the equipment arrives at the project site and passes the acceptance, it shall be paid to 50% – 60% of the contract price; (3) 70% – 80% of the contract price will be paid if the project passes the preliminary acceptance; (4) 90% of the contract price will be paid if the project passes the final acceptance; (5) at the end of the project warranty period, the remaining contract price is paid, usually about 10%. During project implementation, when the received or receivable contract price exceeds the completed labour services, the excess part shall be recognised as contract liabilities, otherwise it shall be recognised as contract assets.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Contract assets (Continued)

As at 31 December 2024, impairment provision of contract assets individually assessed is as follows:

	Book value	Lifetime ECL rate	Impairment provision
Energy, chemical and liquid food equipment	3,224	75.00%	2,418
Others	12,371	—	—
Total	15,595		2,418

As at 31 December 2023, impairment provision of contract assets individually assessed is as follows:

	Book value	Lifetime ECL rate	Impairment provision
Energy, chemical and liquid food equipment	111,223	27.46%	30,544
Others	20,839	—	—
Total	132,062		30,544

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Contract assets (Continued)

As at 31 December 2024, impairment provision of contract assets collectively assessed is as follows:

	Book value	Lifetime ECL rate	Impairment provision
Offshore engineering	5,133,907	0.40%	20,476
Energy, chemical and liquid food equipment	2,672,476	0.77%	20,648
Airport facilities and logistics equipment, fire safety and rescue equipment	1,502,483	0.90%	13,488
Others	488,689	0.78%	3,830
Total	9,797,555		58,442

As at 31 December 2023, impairment provision of contract assets collectively assessed is as follows:

	Book value	Lifetime ECL rate	Impairment provision
Offshore engineering	3,040,200	0.57%	17,221
Energy, chemical and liquid food equipment	2,232,791	1.10%	24,582
Airport facilities and logistics equipment, fire safety and rescue equipment	1,403,220	0.82%	11,455
Others	473,702	—	—
Total	7,149,913		53,258

In 2024, the Group had not written off significant contract assets (2023: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Other current assets

	31 December 2024	31 December 2023
Tax to be deducted/withheld	2,372,521	1,329,748
Others	389,365	472,056
Total	2,761,886	1,801,804

12. Other equity investments

	31 December 2024	31 December 2023
Unlisted company equity		
– Bank of Communications Schroder Fund Management Co., Ltd. (“ BOCM Schroder ”)	320,774	321,414
– China United International Rail Containers Co., Ltd. (“ CR Intermodal ”)	396,649	378,272
– Shenzhen CIMC Intelligent Technology Co., Ltd.	37,510	44,580
Listed company equity		
– Jade Bird Fire (i)	758,234	899,225
– Shoucheng Holdings Limited (“ Shoucheng Holdings ”)	212,677	298,691
– China Railway Special Cargo Services Co., Ltd. (“ China Railway Special Cargo ”)	166,800	168,000
– CSG Holding Co., Ltd. (“ CSG Holding ”)	54,573	57,570
– Otto Energy Limited	614	1,051
Total	1,947,831	2,168,803

(1) Investment in non-trading equity instruments

	31 December 2024	31 December 2023
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	312,649	313,289
Total	320,774	321,414

	31 December 2024	31 December 2023
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	15,869	(2,508)
Total	396,649	378,272

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Other equity investments (Continued)

(1) Investment in non-trading equity instruments (Continued)

	31 December 2024	31 December 2023
Shenzhen CIMC Intelligent Technology Co., Ltd.		
– Historical cost	11,700	11,700
– Accumulated changes in fair value	25,810	32,880
Total	37,510	44,580
	31 December 2024	31 December 2023
Jade Bird Fire (i)		
– Historical cost	1,200,000	1,200,000
– Accumulated changes in fair value	(441,766)	(300,775)
Total	758,234	899,225
	31 December 2024	31 December 2023
Shoucheng Holdings		
– Historical cost	191,383	191,383
– Accumulated changes in fair value	21,294	107,308
Total	212,677	298,691
	31 December 2024	31 December 2023
China Railway Special Cargo		
– Historical cost	161,563	161,563
– Accumulated changes in fair value	5,237	6,437
Total	166,800	168,000
	31 December 2024	31 December 2023
CSG Holding		
– Historical cost	67,407	67,407
– Accumulated changes in fair value	(12,834)	(9,837)
Total	54,573	57,570

- (i) The Group purchased restricted shares of Jade Bird Fire (with restricted share trade period of 6 months) from the open market on 21 November 2022, and the shareholding of the Group in Jade Bird Fire was 8.57%. The Group does not participate in or influence the financial and operating decisions of the above-mentioned companies in any way, so the Group has no significant influence on them. For the consideration of strategic investment, it is accounted for as other equity investments.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Other non-current financial assets

	31 December 2024	31 December 2023
Equity investment at fair value through profit or loss (i)	416,495	432,238
Exchange rate/interest rate swap contracts (Note V.3)	—	22,086
Total	416,495	454,324

(i) It's equity investment by the Group.

If the financial assets at fair value through profit or loss held by the Group 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.

14. Long-term equity investments

		31 December 2024	31 December 2023
Joint ventures	(1)	605,067	790,101
Associates	(2)	11,623,082	11,430,451
Sub-total		12,228,149	12,220,552
Less: Impairment provision for long-term equity investments		(211,275)	(223,696)
Total		12,016,874	11,996,856

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Long-term equity investments (Continued)

(1) Joint ventures

	Movements for the year								31 December 2024	Ending balance of impairment provision
	31 December 2023	Increase/decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Share of other changes in equity	Declared cash dividends or profits	Provision for impairment	Translation difference of foreign currency statements		
Jiangsu Wanjiang Technology Co., Ltd.	8,089	-	(520)	-	-	-	-	-	7,569	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	62,251	-	(4,562)	-	-	-	-	-	57,689	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	14,399	-	2,427	-	-	-	-	-	16,826	-
Dalian Jilong & Baijian Logistics Co., Ltd.	2,706	-	-	-	-	-	-	-	2,706	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	10,469	-	108	-	(4,405)	-	-	-	6,172	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership (Limited Partnership)	12,500	(12,500)	-	-	-	-	-	-	-	-
Shenzhen CIMC Lvmal Logistics and Intelligent Transportation Private Equity Investment Fund Partnership (Limited Partnership)	29,015	-	(3)	-	-	-	-	-	29,012	-
Yantai Jinghai Ocean Fishery Co., Ltd.	280,338	-	(71,611)	-	60	-	-	-	208,787	-
Shenzhen Tianyi Changmao Investment Partnership (Limited Partnership)	1,012	-	33	-	-	-	-	-	1,045	-
Gongqingcheng CIMC Water Investment Environmental Protection Industry Investment Partnership	69,944	(69,944)	-	-	-	-	-	-	-	-
Angang CIMC (Yingkou) New Energy Technology Co., Ltd.	100,015	-	13,068	-	(24,552)	-	-	-	88,531	-
Shenzhen Aerospace Smart City System Technology Research Institute Co., Ltd.	88,249	-	(31,965)	-	-	-	-	-	56,284	-
GoldSuwan Autoparts Manufacture Co., Ltd.	41,564	-	3,374	-	-	-	-	1,233	46,171	-
Xiamen CIMC Haitou Container Service Co., Ltd.	21,720	-	4,672	-	-	(3,207)	-	-	23,185	-
Dalian Jilong Logistics Co., Ltd.	20,740	-	-	-	-	-	-	-	20,740	(20,740)
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	1,494	-	364	-	-	-	-	-	1,858	-
Dafei Lutong (Tianjin) Logistics Co., Ltd.	18,477	-	11,550	-	-	-	-	-	30,027	-
Ant Supply Chain (Shanghai) Co., Ltd.	7,119	1,935	(589)	-	-	-	-	-	8,465	-
Total	790,101	(80,509)	(73,654)	-	(28,897)	(3,207)	-	1,233	605,067	(20,740)

Refer to Note VII.2 for equity in joint ventures.

	Movements for the year									
	31 December 2023	Increase/ decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Share of other changes in equity	Declared cash dividends or profits	Provision for impairment	Translation difference of foreign currency statements	31 December 2024	Ending balance of impairment provision
Xinyang Wood Hong Kong Co., Ltd.	5,025	-	-	-	-	-	-	217	5,242	-
Shenzhen CIMC Industry & City Development Group Co., Ltd. and its subsidiaries (i)	6,587,865	-	(88,689)	28,968	-	-	-	-	6,528,144	-
CM ENERGY TECH CO., LTD.	51,719	-	1,190	-	-	-	-	1,356	54,265	-
Marine Subsea & Consafe Limited	2	-	-	-	-	-	-	-	2	(2)
LiHua Gas storage and Transportation Co., Ltd.	111,415	-	-	-	-	-	-	-	111,415	(111,415)
Qingdao Port International Trade and Logistics Co., Ltd.	73,239	-	12,067	-	-	-	-	-	85,306	-
Jiahua Shipping Co., Ltd.	84,213	-	-	-	-	-	-	210	84,423	(59,095)
Chifeng Lvtianyuan Farm Co., Ltd.	7,427	-	(428)	-	-	-	-	-	6,999	(355)
North Sea Rigs As Ltd	1,445	-	-	-	-	-	-	-	1,445	-
Beijing Boxcool Exhibition Co., Ltd.	13,027	-	2	-	-	-	-	-	13,029	(6,169)
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	1,576	-	122	-	-	-	-	-	1,698	(910)
Fujian Qingchen Bamboo Industry Co., Ltd.	4,730	-	994	-	-	-	-	-	5,724	-
Mori (Shanghai) International Trade Co., Ltd.	753	-	(363)	-	-	-	-	-	390	-
Hengqin CIMC Ruindexin Innovative Venture Capital Fund, LP.	23,852	(2,000)	(61)	-	-	-	-	-	21,791	-
Qingdao Port International Trade Logistics Ltd.	12,837	-	5,615	-	-	(3,848)	-	-	14,604	-
OOS International B.V.	3,778	-	-	-	-	-	-	-	3,778	-
Ningbo Mediterranean Container Yard Co., Ltd.	25,613	-	8,624	-	-	(6,409)	-	-	27,828	-
Nantong CIMC Yike New Material Development Co., Ltd.	15,132	-	5,289	-	-	-	-	-	20,421	-
CIMC Dongnan (Shanghai) Shipping Co., Ltd.	14,918	-	-	-	-	-	-	-	14,918	(12,589)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Long-term equity investments (Continued)

(2) Associates (Continued)

	Movements for the year								31 December 2024	Ending balance of impairment provision
	31 December 2023	Increase/decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Share of other changes in equity	Declared cash dividends or profits	Provision for impairment	Translation difference of foreign currency statements		
Tianjin Binhai COSCO Container Logistics Co., Ltd.	29,752	-	421	-	-	(282)	-	-	29,891	-
Guizhou Yinke Environmental Resources Co., Ltd.	18,726	(19,669)	943	-	-	-	-	-	-	-
Yichuan Tianyun Clean Energy Co., Ltd.	77,384	-	22,581	-	-	-	-	-	99,965	-
Ningbo Beilun Donghua Container Service Co., Ltd.	5,105	-	701	-	-	(920)	-	-	4,886	-
Shenzhen Zhonglian Industry-University-Research Technology Co., Ltd.	86	-	37	-	-	-	-	-	123	-
Chongqing Changzu Feiyue Technology Co., Ltd.	4,137	(1,756)	28	-	-	(2,409)	-	-	-	-
Qingdao Senkete Intelligent Instrument Co., Ltd.	15,437	-	432	-	-	-	-	-	15,869	-
Xuzhou Lugang Shilianda Logistics Development Co., Ltd.	6,880	1,100	550	-	169	(1,151)	-	-	7,548	-
Hongjing Zhiye (Beijing) Multimodal Transport Consulting Co., Ltd.	2,741	-	769	-	-	-	-	-	3,510	-
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	5,383	-	(926)	-	-	-	-	-	4,457	-
Xinyu Tiangao Investment Management Partnership (Limited Partnership)	919	(500)	(367)	-	-	(30)	-	-	22	-
Zhongshiyun (Beijing) Investment Co., Ltd.	103,048	-	25,824	-	-	(23,309)	-	-	105,563	-
HuaSu Airport Air Service (Guangzhou) Co., Ltd.	4,682	-	179	-	-	-	-	-	4,861	-
ADS SUPPLY CHAZN (THAILAND) CO., LTD.	2,235	-	55	-	-	-	-	72	2,362	-
Shanghai Hongji International Logistics Development Ltd.	2,663	-	1,984	-	-	-	-	-	4,647	-

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14. Long-term equity investments (Continued)

(2) Associates (Continued)

	31 December 2023	Movements for the year							31 December 2024	Ending balance of impairment provision
		Increase/ decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Share of other changes in equity	Declared cash dividends or profits	Provision for impairment	Translation difference of foreign currency statements		
Shenzhen Bay Angel Phase III Venture Capital Partnership (Limited Partnership)	81,809	-	10,441	-	-	-	-	-	92,250	-
Yantai Youtai Environmental Protection Technology Co., Ltd.	10,772	-	1,766	-	-	-	-	-	12,538	-
Shanghai Anji Marine Technology Co., Ltd.	423	-	109	-	-	-	-	-	532	-
ANDASHUN AMAZING LOGISTICS (VIETNAM) CO., LTD.	9,406	-	(514)	-	-	-	-	(266)	8,626	-
Guoke Yunji Chanrong Development (Shenzhen) Co., Ltd.	17,463	-	(303)	-	-	-	-	-	17,160	-
Shandong CIMC Green New Material Co., Ltd.	3,034	-	(1,133)	-	-	-	-	-	1,901	-
Hunan Zhonglao Precious Metal Technology Co., Ltd.	6,000	-	(5,026)	-	-	-	-	-	974	-
Dongguan Ruizhutanxia Investment Co., Ltd.	5,136	-	72	-	-	-	-	-	5,208	-
Shenzhen CIMC Hongyuan Advanced Intelligent Manufacture Private Equity Investment Fund Partnership (Limited Partnership)	29,625	-	(441)	-	-	-	-	-	29,184	-
China Marine Engineering Equipment Technology Development Co., Ltd. (ii)	171,764	-	(13,874)	-	5	-	-	-	157,895	-
Yantai Guma New Material Co., Ltd.	640	-	-	-	-	-	-	-	640	-
CIMC-Hescom Hydrogen Technology Co., Ltd.	84,037	36,575	(20,986)	-	-	-	-	-	99,626	-
Shenzhen Financial Leasing (Group) Co., Ltd. ("Shenzhen Leasing")	2,101,839	55,513	172,118	42,080	-	(65,650)	-	12,139	2,318,039	-
CIMC Xinde Leasing (Shenzhen) Co., Ltd.	412,660	-	18,280	3,365	-	-	-	-	434,305	-
Zhejiang Tengjinghui New Materials Co., Ltd.	6,965	-	507	-	-	-	-	-	7,472	-
Strømtangveien 38 AS	2,611	-	-	-	-	-	-	-	2,611	-
C&C Trucks Co., Ltd.	750,363	-	(109,297)	-	-	-	-	-	641,066	-
Guizhou Shuigang New Energy Co., Ltd.	250,000	-	61	-	-	-	-	-	250,061	-
Shandong Xinneng Shipbuilding Co., Ltd.	90,134	-	329	-	-	-	-	-	90,463	-

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14. Long-term equity investments (Continued)

(2) Associates (Continued)

	Movements for the year							31 December 2024	Ending balance of impairment provision	
	31 December 2023	Increase/decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Share of other changes in equity	Declared cash dividends or profits	Provision for impairment			Translation difference of foreign currency statements
CIMC Runqing Shipping (Zhaoqing) Co., Ltd.	35,268	(27,325)	(2,279)	-	-	-	-	-	5,664	-
Luoyang CIMC Hongyuan Longchuang Technology Venture Capital Fund Partnership (Limited Partnership)	14,891	-	(248)	-	-	-	-	-	14,643	-
Aigulu (Shanghai) Intelligent Technology Co., Ltd.	10,022	-	(1,210)	-	-	-	-	-	8,812	-
'K'Line Zhenhua Logistics (Tianjin) Co., Ltd.	17,845	-	(1,508)	-	-	-	-	-	16,337	-
Moudi Smart Technology Co., Ltd	-	5,000	(2,549)	-	-	-	-	-	2,451	-
Hainan Haiken Cold Chain Development Co., Ltd	-	19,600	(1,511)	-	-	-	-	-	18,089	-
Shenzhen Shenshan Special Cooperation Zone Zhichuang Zhongji Hongyuan Private Equity Investment Fund Partnership Enterprise (Limited Partnership)	-	63,000	(903)	-	-	-	-	-	62,097	-
Hebei Luan Hydrogen Energy Technology Co., Ltd	-	2,800	-	-	-	-	-	-	2,800	-
Tianjin CIMC Bohai Precious Metals Technology Co., Ltd	-	2,000	(88)	-	-	-	-	-	1,912	-
Tianjin Jinnan Haihe TEDA CIMC Advanced Manufacturing Industry Equity Investment Fund Partnership (Limited Partnership)	-	30,100	-	-	-	-	-	-	30,100	-
Tianjin CIMC TEDA Haihe Management Consulting Partnership (Limited Partnership)	-	4,500	-	-	-	-	-	-	4,500	-
Total	11,430,451	168,938	39,386	74,413	174	(104,008)	-	13,728	11,623,082	(190,535)

- (i) The Group's investment in CIMC Industry & City includes directly holding 45.92% of the equity in CIMC Industry & City and indirect holding of 34.44% – 62.14% of the equity of CIMC Industry & City subsidiary project company.
- (ii) On 27 August 2021, CIMC Offshore Holding Co., Ltd., a subsidiary of the Company, as the main investor, participated in the establishment of China Marine Engineering Equipment Technology Development Co., Ltd., and agreed to contribute a registered capital of RMB1,800,000,000 with the initial capital contribution of RMB180,000,000 in place during the middle February 2022, and the remaining registered capital will be paid in full by 30 June 2032.

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14. Long-term equity investments (Continued)

(3) Impairment provision of long-term equity investments

	31 December 2023	Decrease in current year	Translation difference of foreign currency statements	31 December 2024
Dalian Jilong Logistics Co., Ltd.	20,740	—	—	20,740
Marine Subsea & Consafe Limited	2	—	—	2
LiHua Gas storage and Transportation Co., Ltd.	111,415	—	—	111,415
Jiahua Shipping Co., Ltd.	57,940	—	1,155	59,095
Chifeng Lvtianyuan Farm Co., Ltd.	355	—	—	355
Beijing Boxcool Exhibition Co., Ltd.	6,169	—	—	6,169
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	910	—	—	910
CIMC Donghan (Shanghai) Shipping Co., Ltd.	12,589	—	—	12,589
Guizhou Yinke Environmental Resources Co., Ltd.	13,576	(13,576)	—	—
Total	223,696	(13,576)	1,155	211,275

15. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
31 December 2023	1,173,551	196,442	1,369,993
Changes in fair value	32,944	(24,633)	8,311
Transferred from fixed assets	24,148	—	24,148
Transferred from construction in progress	138	—	138
Transfer to intangible assets	(9,843)	—	(9,843)
Disposals for current year (i)	(41,263)	—	(41,263)
Other decreases	(826)	—	(826)
Translation difference of foreign currency statements	627	—	627
31 December 2024	1,179,476	171,809	1,351,285

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Investment properties (Continued)

- (i) In 2024 and 2023, no capitalisation was included in the borrowing costs of investment properties.

In 2024, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was a profit of RMB8,311,000 (2023: a loss of RMB16,536,000).

As at 31 December 2024, the buildings and land use rights with carrying amount of about RMB 273,001,000 (31 December 2023: RMB 191,576,000) had not been entitled the property ownership certificates due to unfinished entitling procedures.

16. Fixed assets

	31 December 2024	31 December 2023
Fixed assets (a)	43,916,727	40,311,645
Disposals of fixed assets (b)	2,646	43,171
Total	43,919,373	40,354,816

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Fixed assets (Continued)

(a) Fixed assets

	Buildings		Machinery and equipment		Office and 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 2023	14,111,891	217,816	15,623,458	290,022	1,976,607	795,823	1,307,896	182,138	31,686,591	1,389,755	67,581,997
Increase in current year											
Additions	177,092	-	356,561	55,335	394,793	45	68,580	48,671	-	-	1,101,077
Business combination	-	-	16,288	-	5,395	-	1,417	-	-	-	23,100
Transferred from construction in progress	1,285,089	48,632	1,057,388	557	90,149	-	40,192	-	4,259,187	6,330	6,787,524
Decrease in current year											
Disposals or scrapping	(145,753)	(10,061)	(454,345)	(697)	(210,151)	(5,924)	(61,568)	(36,417)	-	-	(924,916)
Transferred to investment properties (Note V.15)	(36,654)	-	-	-	-	-	-	-	-	-	(36,654)
Disposals of subsidiaries	(793)	-	(8,557)	-	(1,301)	-	(722)	-	-	-	(11,373)
Other decreases	-	-	-	-	-	-	-	-	(140,196)	-	(140,196)
(Decrease)/Increase in internal reclassification of fixed assets	(9,368)	-	76,044	-	(74,369)	-	7,693	-	-	-	-
Translation difference of foreign currency statements	11,874	-	11,998	5,570	(6,960)	-	(1,428)	-	963,144	68,280	1,052,478
31 December 2024	15,393,378	256,387	16,678,835	350,787	2,174,163	789,944	1,362,060	194,392	36,768,726	1,464,365	75,433,037
Accumulated depreciation											
31 December 2023	4,348,621	46,449	6,793,967	45,725	1,203,052	321,502	693,633	176,182	4,144,160	445,529	18,218,820
Depreciation recognised in current year	518,588	6,381	1,000,977	62,471	242,311	10,593	140,195	25,762	803,821	31,229	2,842,328
Decrease in current year											
Transferred to investment properties (Note V.15)	(12,506)	-	-	-	-	-	-	-	-	-	(12,506)
Disposals or scrapping	(111,169)	-	(281,698)	(80)	(112,955)	(4,881)	(56,520)	(27,088)	-	-	(594,391)
Disposals of subsidiaries	(89)	-	(2,342)	-	(830)	-	(263)	-	-	-	(3,524)
Increase/(decrease) in internal reclassification of fixed assets	-	-	41,727	-	(41,727)	-	-	-	-	-	-
Translation difference of foreign currency statements	3,077	-	10,213	387	(3,912)	-	(1,541)	-	129,938	(24,372)	113,790
31 December 2024	4,746,522	52,830	7,562,844	108,503	1,285,939	327,214	775,504	174,856	5,077,919	452,386	20,564,517

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Fixed assets (Continued)

(a) Fixed assets (Continued)

	Buildings		Machinery and equipment		Office and 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	
Impairment provision											
31 December 2023	230,925	-	35,329	-	34,965	-	914	-	8,749,399	-	9,051,532
Depreciation recognised in current year	1,156	-	13,202	19,790	1,167	-	94	-	-	-	35,409
Transferred from construction in progress	-	-	-	-	-	-	-	-	1,597,294	-	1,597,294
Disposals or scrapping	(435)	-	(6,157)	-	(235)	-	-	-	-	-	(6,827)
Translation difference of foreign currency statements	-	-	67	297	1,183	-	-	-	272,838	-	274,385
31 December 2024	231,646	-	42,441	20,087	37,080	-	1,008	-	10,619,531	-	10,951,793
Carrying amount											
31 December 2024	10,415,210	203,557	9,073,550	222,197	851,144	462,730	585,548	19,536	21,071,276	1,011,979	43,916,727
31 December 2023	9,532,345	171,367	8,794,162	244,297	738,590	474,321	613,349	5,956	18,793,032	944,226	40,311,645

In 2024, the Group's fixed assets with an indication of impairment mainly arose from offshore engineering equipment. Each offshore engineering equipment was tested for impairment as an individual asset group. The management mainly considers leasing it to oil companies for oil exploration and other activities to determine the recoverable amount. After comparing the recoverable amount and carrying amount of offshore engineering equipment, no provision for impairment is made in current year.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Fixed assets (Continued)

(a) Fixed assets (Continued)

For assets related to offshore engineering, the Group determines the revenue growth rate and gross profit margin based on the rental of similar platforms in the open market and the CIMC Group, market demand, utilisation rate and maintenance cost rate, historical peak and low rental. The discount rate refers to the pre-tax discount rate that reflects the specific risk of the asset. The key assumptions applied in calculating discounted future cash flows:

Compound revenue growth rates in the forecast period	0.16% ~ 11.55%
Gross profit margin	28.70% ~ 67.50%
Pre-tax discount rate	7.57%

(1) Temporarily idle fixed assets

As at 31 December 2024, the carrying amount of temporarily idle fixed assets, amounted to approximately RMB72,585,000 (original cost of RMB129,249,000) (31 December 2023: carrying amount of approximately RMB23,525,000 and original cost of RMB47,282,000). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provision	Carrying amount
Buildings	112,595	41,607	–	70,988
Machinery and equipment	15,620	13,916	157	1,547
Motor vehicles	86	77	–	9
Office and other equipment	948	853	54	41
Total	129,249	56,453	211	72,585

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Fixed assets (Continued)

(a) Fixed assets (Continued)

(2) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reason for pending
Factory	1,039,287	Have not met the conditions of certificate; Put to use, certificate being in the progress
Workshop	430,010	Have not met the conditions of certificate; Put to use, certificate being in the progress
Office building	117,249	Put to use, certificate being in the progress
Dormitory and canteen	101,455	Put to use, certificate being in the progress
Warehouse	32,526	Put to use, certificate being in the progress
Others	27,480	Put to use, certificate being in the progress
Total	1,748,007	

- (3) The buildings, machinery and equipment, office and other equipment, and motor vehicles signed by the Group as the lessor have no residual value guarantee clauses.

(b) Disposals of fixed assets

	31 December 2024	31 December 2023
Machinery and equipment	12	41,243
Motor vehicles	1,253	425
Office and other equipment	3	1,503
Offshore engineering equipment	1,378	–
Total	2,646	43,171

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Construction in progress

(1) Construction in progress

	31 December 2024			31 December 2023		
	Original amount	Impairment provision	Carrying amount	Original amount	Impairment provision	Carrying amount
Ultra deep water drilling platform project	-	-	-	4,203,426	(1,576,382)	2,627,044
Enric low temperature plant renovation project	536,838	(40,014)	496,824	500,844	(42,122)	458,722
Construction project of Nantong Union new energy integration equipment	3,250	-	3,250	148,625	-	148,625
Dongguan southern CIMC Fenggang phase 2 project	51,856	-	51,856	34,983	-	34,983
Ningbo CIMC Longteng Twin Star Project	4,534	-	4,534	17,468	-	17,468
CIMCNB water-based paint coating line reconstruction and waste treatment project	4,438	-	4,438	11,852	-	11,852
Others	1,245,080	-	1,245,080	1,185,212	-	1,185,212
Total	1,845,996	(40,014)	1,805,982	6,102,410	(1,618,504)	4,483,906

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the year

	Budget amount	31 December 2023	Increase in current year	Transfer to fixed assets in current year	Other decreases in current year (i)	Translation difference of foreign currency statements	31 December 2024	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Including: Capitalised interest in current year	Capitalised interest ratio	Source of funds
Ultra deep water drilling platform project	4,245,885	4,203,426	146,161	(4,259,187)	(183,961)	93,561	-	100%	100%	508,199	-	-	Self-funding & bank loan
Enric low temperature plant renovation project	791,019	500,844	764,294	(714,821)	(7,426)	(6,053)	536,838	70%	70%	7,383	108	3.10%	Self-funding & bank loan
Construction project of Nantong Union new energy integration equipment	576,000	148,625	232,666	(378,041)	-	-	3,250	99%	99%	297	297	3.10%	Self-funding & bank loan
Dongguan southern CIMC Fenggang phase 2 project	722,523	34,983	62,479	(45,497)	(109)	-	51,856	98%	98%	-	-	-	Self-funding
Ningbo CIMC Longteng Twin Star Project	680,000	17,468	9,620	(19,781)	(2,773)	-	4,534	91%	91%	-	-	-	Self-funding
CIMCNB water-based paint coating line reconstruction and waste treatment project	365,460	11,852	344	(4,899)	(2,859)	-	4,438	98%	98%	-	-	-	Self-funding
Others		1,185,212	1,663,016	(1,365,298)	(238,996)	1,146	1,245,080			11,935	7,024	3.10%	Self-funding & bank loan
Total		6,102,410	2,878,580	(6,787,524)	(436,124)	88,654	1,845,996			527,814	7,429		

- (i) For other decreases in construction in progress during the year, RMB54,974,000 was transferred to intangible assets, RMB183,961,000 was transferred to long-term amortized expenses.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Construction in progress (Continued)

(3) Impairment provision of construction in progress

	Impairment provision of construction in progress					31 December 2024	Reason for provision
	31 December 2023	Increase in current year	Transfer to fixed assets in current year	Charge-off/ write-off in current year	Translation difference of foreign currency statements		
Ultra deep water drilling platform project	1,576,382	-	(1,597,294)	-	20,912	-	Transfer to fixed assets in current year
Enric low temperature plant renovation project	42,122	-	-	(2,108)	-	40,014	Reversal of impairment provision
Total	1,618,504	-	(1,597,294)	(2,108)	20,912	40,014	

As at 31 December 2024, the decrease of impairment provision of construction in progress was mainly due to the transfer of ultra deep water drilling platform project to fixed assets.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Intangible assets and development expenditures

(1) Intangible assets

	Land use rights	Technical know-how, trademarks and software	Timber concession rights	Customer relationships	Customer contracts	Sea area use rights	Franchise rights	Total
Original cost								
31 December 2023	6,001,015	2,398,304	137,104	257,964	348,800	110,451	142,446	9,396,084
Business combination	52,258	2,378	-	-	-	-	-	54,636
Additions	143,529	128,116	-	-	-	-	-	271,645
Transferred from construction in progress	32,847	22,127	-	-	-	-	-	54,974
Transferred from investment properties	9,843	-	-	-	-	-	-	9,843
Internal research and development expenses	-	5,658	-	-	-	-	-	5,658
Disposals of subsidiaries	-	(126)	-	-	-	-	-	(126)
Disposals for current year	(32,132)	(19,124)	-	-	-	-	-	(51,256)
Other decreases	(5,689)	(5,075)	-	-	-	-	-	(10,764)
Translation difference of foreign currency statements	-	58,195	-	(79)	532	-	-	58,648
31 December 2024	6,201,671	2,590,453	137,104	257,885	349,332	110,451	142,446	9,789,342
Accumulated amortisation								
31 December 2023	1,213,084	1,485,291	32,730	180,803	296,536	41,213	37,775	3,287,432
Depreciation recognised in current year	150,808	198,037	-	3,776	-	1,827	5,157	359,605
Disposals of subsidiaries	-	(77)	-	-	-	-	-	(77)
Disposals for current year	(21,783)	(3,944)	-	-	-	-	-	(25,727)
Other decreases	-	(5,450)	-	-	-	-	-	(5,450)
Translation difference of foreign currency statements	-	65,305	-	684	532	-	-	66,521
31 December 2024	1,342,109	1,739,162	32,730	185,263	297,068	43,040	42,932	3,682,304
Impairment provision								
31 December 2023	-	35,380	104,374	37,987	52,264	-	4,685	234,690
Translation difference of foreign currency statements	-	74	-	398	-	-	-	472
31 December 2024	-	35,454	104,374	38,385	52,264	-	4,685	235,162
Carrying amount								
31 December 2024	4,859,562	815,837	-	34,237	-	67,411	94,829	5,871,876
31 December 2023	4,787,931	877,633	-	39,174	-	69,238	99,986	5,873,962

In 2024, amortisation expenses of intangible assets amounted to RMB359,605,000 (2023: RMB277,417,000).

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18. Intangible assets and development expenditures (Continued)

- (1) As at 31 December 2024, the land use rights with a carrying amount of RMB455,000 (original price of RMB456,000) (31 December 2023: carrying amount of RMB1,453,679,000, original price of RMB1,483,030,000) had not been obtained.
- (2) As at 31 December 2024, the net intangible asset with indefinite useful lives was gas station franchise and a trademark right, which amounted to RMB205,836,000 (31 December 2023: RMB209,829,000).
- (3) As at 31 December 2024, the carrying amount of intangible assets with limited ownership amounted to RMB33,647,000 with the details in Note V.25 (31 December 2023: RMB34,730,000).
- (4) As at 31 December 2024, intangible assets transferred from development expenditures within the Group accounted for 0.09% (2023: 0.91%) of the total carrying amount of intangible assets.
- (5) **Research and development expenses**

In 2024, the Group's total expenditures on research and development activities are presented by nature as follows:

	2024		
	Research and development expenses	Development expenditures	Total
Direct material consumption	1,015,631	958	1,016,589
Research and development labour costs	1,161,104	1,973	1,163,077
Depreciation and amortisation	79,664	—	79,664
Testing fee	155,382	—	155,382
Design fee	62,095	—	62,095
Others	235,231	122	235,353
Total	2,709,107	3,053	2,712,160

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Intangible assets and development expenditures (Continued)

(5) Research and development expenses (Continued)

- (a) In 2024, the changes in the Group's development expenditures eligible for capitalisation are analysed as follows:

	31 December 2023	Increase in current year	Transfer to intangible assets in current year	31 December 2024
Project on energy and chemical technology	5,867	—	(2,708)	3,159
Others	12,343	3,053	(2,950)	12,446
Total	18,210	3,053	(5,658)	15,605

In 2024, there was no impairment of the Group's development expenditures (2023: Nil).

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19. Right-of-use assets

	Buildings	Land use rights	Offshore engineering equipment	Machinery and equipment	Motor vehicles	Office and other equipment	Total
Original cost							
31 December 2023	1,078,626	462,130	131,915	225,921	4,026	28,328	1,930,946
Additions from lease contract	354,647	68,628	–	32,843	4,627	6,888	467,633
Decrease in current year							
Lease changes	(65,873)	(13,587)	–	(8,591)	(1,813)	(4,964)	(94,828)
Other decreases	(86,628)	(156)	–	(3,299)	–	–	(90,083)
Translation difference of foreign currency statements	(6,066)	(2,753)	–	1,269	(127)	495	(7,182)
31 December 2024	1,274,706	514,262	131,915	248,143	6,713	30,747	2,206,486
Accumulated depreciation							
31 December 2023	430,037	187,589	80,745	129,530	1,624	10,471	839,996
Depreciation recognised in current year	217,341	72,239	9,106	40,750	3,478	6,003	348,917
Decrease in current year							
Lease changes	(33,888)	(7,775)	–	(6,307)	(587)	(4,703)	(53,260)
Other decreases	(75,324)	(156)	–	(847)	(1,466)	–	(77,793)
Translation difference of foreign currency statements	(2,497)	(781)	–	(319)	(82)	175	(3,504)
31 December 2024	535,669	251,116	89,851	162,807	2,967	11,946	1,054,356
Carrying amount							
31 December 2024	739,037	263,146	42,064	85,336	3,746	18,801	1,152,130
31 December 2023	648,589	274,541	51,170	96,391	2,402	17,857	1,090,950

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Goodwill

	31 December 2023	Increase in current year	Decrease in current year	Translation difference of foreign currency statements	31 December 2024
Enric	635,513	—	—	—	635,513
Vehicles UK	350,306	—	—	4,889	355,195
TGE SA	177,382	—	—	(5,960)	171,422
Bassoe	125,806	—	—	—	125,806
CIMC Wetrans Zelian International Logistics (Hong Kong) Co. Ltd. and CIMC Wetrans Zelian International Logistics (Shanghai) Co., Ltd.	221,250	—	—	—	221,250
Others	1,688,372	400	—	(25,588)	1,663,184
Sub-total	3,198,629	400	—	(26,659)	3,172,370
Less: Impairment provision					
Bassoe	125,806	—	—	—	125,806
TGE SA	54,806	—	—	(1,842)	52,964
Others	364,124	130,744	—	(18,380)	476,488
Sub-total	544,736	130,744	—	(20,222)	655,258
Net book value	2,653,893	(130,344)	—	(6,437)	2,517,112

The increase in goodwill impairment provisions for this year is primarily attributable to goodwill impairments related to Shenyang Jietong Fire Truck Co., Ltd. ("**Shenyang Jietong**"), Shanghai Jin Dun Special Vehicle Equipment Co., Ltd., Beijing CIMC Fine Phase-changing Energy Co., Ltd., Guangdong CIMC Haizhong New Energy Equipment Co., Ltd., Beijing CIMC Zhiben Technology Co., Ltd., and Briggs Groups Limited.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. 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 2024. According to the Segment Reporting (Note XV.1), the allocation is summarised as follows:

	31 December 2024	31 December 2023
Energy, chemical and liquid food equipment asset group	1,074,122	1,089,507
Logistics services asset group	498,106	498,106
Road transportation vehicles asset group	424,503	425,590
Airport facilities and logistics equipment, fire safety and rescue equipment asset group	209,742	260,244
Containers manufacturing asset group	104,021	167,278
Recycled load business asset group	63,359	63,359
Asset groups with insignificant allocation percentage of goodwill group	143,259	149,809
Total	2,517,112	2,653,893

When doing goodwill impairment test, the Group compares the carrying amount of the relevant asset or combination of asset groups (including goodwill) with its recoverable amount. If the recoverable amount was less than the carrying amount, the related difference was recognised in current profit or loss (Note V.60).

The Group determines the growth rate and gross profit margin according to the historical experience and the forecast of market development. The growth rate in the forecast period is based on the 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 combination of asset groups.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Goodwill (Continued)

(1) Impairment test of goodwill allocated to asset groups (Continued)

In 2024, the recoverable amounts of the Group's relevant asset groups of significant goodwill and the main assumptions applied in calculating discounted future cash flows were as follows:

	Vehicles UK
Forecast period revenue growth rate	2.00% – 4.57%
Stable period revenue growth rate	2.00%
Gross profit margin	11.30% – 13.04%
Pre-tax discount rate	15.50%
Carrying amount of the asset group (including goodwill)	823,430
Recoverable amount	975,723

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 at 31 December 2024, the Group determined the recoverable amount of Enric's combination of asset groups (including goodwill). The carrying amount of the combination of asset groups (including goodwill) is calculated to be less than the recoverable amount, and there is no need to calculate the impairment (31 December 2023: no need to calculate the impairment).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Long-term prepaid expenses

	31 December 2023	Increase in current year	Current year amortisation	Other reductions	Translation difference of foreign currency statements	31 December 2024
Improvement expenses of engineering vessels (i)	403,525	236,558	(242,423)	–	11,172	408,832
Production equipment renovation project	134,876	151,578	(69,062)	(38)	16,399	233,753
Improvements to right-of-use assets	100,910	4,787	(7,057)	(335)	(5,728)	92,577
Yard facility expenses	43,181	2,311	(9,845)	(3,302)	307	32,652
Drilling platform mobilisation fee (ii)	98,648	–	(99,957)	–	1,309	–
Others	85,166	88,199	(72,760)	(25,025)	(11,262)	64,318
Total	866,306	483,433	(501,104)	(28,700)	12,197	832,132

- (i) The improvement expenses of engineering vessels refer to the expenses for adaptability improvement of the platform and special inspection fee for hull.
- (1) Adaptability improvement refers to the renovation expenses of the platform incurred when there are changes in operating sea area or the operating requirements.
- (2) The special inspection fee for hull refers to the expenses incurred by offshore mobile platforms to perform the corresponding inspection on a regular basis in accordance with the Ship Technical Regulations of the People's Republic of China and the regulations of offshore mobile platforms, and to obtain a Certificate of Classification from the relevant inspection agency with a maximum validity period of 5 years.
- (ii) Drilling platform mobilisation fee refers to the crew's labour costs and platform operating expenses incurred before the platform arrives in the specific sea area as agreed in the contract.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Deferred tax assets and deferred tax liabilities

(1) The pre-offsetting balances of deferred tax assets

	31 December 2024		31 December 2023	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Deferred tax assets:				
Provision for asset impairment	1,355,208	338,803	1,189,164	265,328
Provisions	910,546	174,094	916,605	174,072
Employee benefits payable	2,072,323	436,753	1,703,077	360,185
Accrued expenses	1,499,275	316,922	1,140,236	245,609
Deductible losses	4,390,306	827,400	4,714,364	884,294
Fair value changes of derivative financial assets	312,745	58,927	109,596	20,599
Intra-group unrealised revenue	116,790	29,134	139,931	36,661
Lease liabilities	822,113	202,768	806,263	187,865
Others	919,967	184,345	546,507	95,062
Total	12,399,273	2,569,146	11,265,743	2,269,675

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Deferred tax assets and deferred tax liabilities (Continued)

(2) The pre-offsetting balances of deferred tax liabilities

	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities:				
Fair value changes of derivative financial assets	(142,027)	(27,848)	(290,103)	(52,211)
Fair value changes of investment properties	(602,639)	(146,678)	(594,377)	(159,016)
Revaluation gain through combination	(530,548)	(106,818)	(463,617)	(89,227)
Gross profit of overseas projects (pay tax after completion)	(1,128,036)	(282,009)	(1,126,656)	(281,664)
Accelerated depreciation of long-term assets	(2,471,870)	(549,153)	(2,424,208)	(515,958)
Right-of-use assets	(864,413)	(206,991)	(806,321)	(187,871)
Others	(311,345)	(50,075)	(182,879)	(36,227)
Total	(6,050,878)	(1,369,572)	(5,888,161)	(1,322,174)

(3) The net deferred tax assets and liabilities after offset are presented as follows:

	31 December 2024		31 December 2023	
	The offset amount	Balance after offset	The offset amount	Balance after offset
Deferred tax assets	(870,592)	1,698,554	(755,019)	1,514,656
Deferred tax liabilities	870,592	(498,980)	755,019	(567,155)

(4) Unrecognised deferred tax assets:

	31 December 2024	31 December 2023
Deductible losses	4,773,243	3,799,180
Deductible temporary differences	224,800	244,017
Total	4,998,043	4,043,197

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Deferred tax assets and deferred tax liabilities (Continued)

- (5) Maturity of deductible losses that are not recognised as deferred tax assets:

	31 December 2024	31 December 2023	Note
2024	–	157,298	
2025	57,802	93,046	
2026	328,054	479,753	Note 1
2027	410,546	441,710	
2028	630,185	733,138	
After 2029	19,454,765	13,741,695	
Total	20,881,352	15,646,640	

Note 1: As at 31 December 2023 and 2024, unrecognised deferred tax assets aged over 5 years (inclusive) arising from deductible tax losses mainly 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.

- (6) Taxable temporary differences for unrecognised deferred tax liabilities

As at 31 December 2024, for the possible tax impact of the accumulated undistributed profits of its subsidiaries in Hong Kong and other overseas subsidiaries, the Group did not recognise the taxable temporary difference of RMB7,146,546,000 as deferred tax liabilities, since the Group was able to determine its dividend distribution policy on its own initiative and had no plan for dividend distribution in the foreseeable future and also had no intention to dispose of such subsidiaries.

23. Other non-current assets

	31 December 2024	31 December 2023
Prepayments for equipment	317,301	323,868
Prepayments for construction	15,746	21,332
Prepayments for land use rights	11,390	23,210
Others	47,272	54,647
Total	391,709	423,057

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. Provision for asset impairment and losses

			Decrease in current year					
	31 December 2023	Increase in current year	Reversal	Charge-off/ write-off	Transferred from fixed assets/ (transferred to construction in progress)	Translation difference of foreign currency statements	31 December 2024	
Provision for bad debts of notes receivables	2,705	1,570	(2,303)	–	–	(104)	1,868	
Provision for bad debts of receivables financing	724	–	(823)	–	–	99	–	
Provision for bad debts of accounts receivable	1,171,515	563,904	(62,469)	(12,202)	–	(45,561)	1,615,187	
Provision for bad debts of other receivables	295,383	83,222	(86,713)	(45)	–	348	292,195	
Provision for bad debts of long-term receivables and current portion of non-current assets	4,825	6,401	–	–	–	–	11,226	
Sub-total	1,475,152	655,097	(152,308)	(12,247)	–	(45,218)	1,920,476	
Provision for bad debts of advance to suppliers	206,508	138	–	(13)	–	781	207,414	
Provision for impairment of inventories and impairment of contract performance costs	1,027,846	322,513	(52,580)	(121,276)	–	5,081	1,181,584	
Impairment provision for contract assets	83,802	8,949	(28,681)	–	–	(3,210)	60,860	
Impairment provision for long-term equity investments	223,696	–	–	(13,576)	–	1,155	211,275	
Impairment provision for fixed asset	9,051,532	35,409	–	(6,827)	1,597,294	274,385	10,951,793	
Impairment provision for construction in progress	1,618,504	–	–	(2,108)	(1,597,294)	20,912	40,014	
Impairment provision for intangible assets	234,690	–	–	–	–	472	235,162	
Impairment provision for goodwill	544,736	130,744	–	–	–	(20,222)	655,258	
Impairment provision for assets held for sale	133,037	–	–	(133,037)	–	–	–	
Sub-total	13,124,351	497,753	(81,261)	(276,837)	–	279,354	13,543,360	
Total	14,599,503	1,152,850	(233,569)	(289,084)	–	234,136	15,463,836	

Please refer to the respective notes of the assets for reasons of the provision.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Restricted assets

As at 31 December 2024, assets with restrictions in their ownerships are as follows:

	Note	Carrying amount at the end of the year	Restricted reasons
Cash at bank and on hand	V.1	2,637,728	Margin, deposit of statutory reserves of the central bank
Intangible assets	V.18	33,647	No transfer without the permission from government
Receivables financing	V.6	10,038	Pledge
Notes receivables	V.4	280,956	Accepted or discounted but not yet due, and not derecognized, notes receivable and pledges
Total		2,962,369	

26. Short-term borrowings

	Note	31 December 2024	31 December 2023
Guaranteed	(a)		
USD		–	4,953,305
RMB		2,275,964	2,471,498
HKD		5,458,002	1,539,837
Sub-total		7,733,966	8,964,640
Pledged			
RMB		740	–
Unsecured			
USD		918,831	420,947
EUR		137,126	164,563
GBP		–	20,330
RMB		2,445,589	2,710,511
Sub-total		3,502,286	3,316,351
Discounted notes			
RMB		24,464	119,870
Total		11,260,716	12,400,861

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Short-term borrowings (Continued)

- (a) As at 31 December 2024, the guaranteed borrowings of RMB7,733,966,000 (31 December 2023: RMB8,964,640,000) was guaranteed by the Company or the Company's subsidiaries to member companies of the Group. Among them, the newly added guaranteed loans by the Group's subsidiary, CIMC Fortune Holdings Limited, in the current year include a loan drawn down and incurred under the FACILITY AGREEMENT relating to a HK\$5,500,000,000 Term Loan Facility signed on 16 October 2024. The agreement was entered into by CIMC Fortune Holdings Limited as the borrower, with The Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Ping An Bank Cross-border Finance Department (Offshore Business Department), Bank of Communications Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited, Bank of Communications Offshore Financial Center, China Merchants Bank Yonglun Bank Limited, Nanyang Commercial Bank, HSBC Bank Hong Kong Limited, and Standard Chartered Bank (Hong Kong) Limited (the names of the banks are based on the signatories of the contract) as lead arrangers and initial lenders. The Bank of China (Hong Kong) Limited, Bank of Communications Hong Kong Branch, and Ping An Bank Cross-border Finance Department (Offshore Business Department) served as coordinators, The Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, and Standard Chartered Bank (Hong Kong) Limited as sustainable loan coordinators, and The Bank of China (Hong Kong) Limited as the agent bank. The guaranteed loan of HKD5.5 billion (approximately RMB5.2 billion) is secured by joint and several liability guarantees from the Company and CIMC Hong Kong.
- (b) As at 31 December 2024, the Group did not have overdue short-term borrowings and the interest rate of short-term borrowings ranged from 1.30% to 6.35% (31 December 2023: 1.20% to 7.20%).

27. Notes payables

	31 December 2024	31 December 2023
Bank acceptance notes	5,140,529	4,185,114
Trade acceptance notes	960,067	496,849
Total	6,100,596	4,681,963

As at 31 December 2024, the Group did not have due and unpaid notes payables (31 December 2023: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Accounts payables

	31 December 2024	31 December 2023
Due to raw material suppliers	18,853,610	14,434,816
Integrated logistics services charges	2,754,821	2,145,486
Project procurement charges	1,575,569	334,719
Equipment procurement charges	979,048	990,571
Processing charges	847,363	243,731
Transportation charges	815,778	826,524
Project contracts charges	358,674	617,911
Others	701,436	587,251
Total	26,886,299	20,181,009

As at 31 December 2024, accounts payables over 1 year with a carrying amount of RMB2,150,088,000 (31 December 2023: RMB1,411,340,000) were mainly payables related to offshore engineering business, and energy and chemicals business. Since the production cycle of the offshore engineering business, and energy and chemicals business was usually more than 1 year, the payables have not yet been settled.

29. Advances from customers

	31 December 2024	31 December 2023
Rental advances	5,628	11,099

As at 31 December 2024, there is no advances from customers with an age of more than 1 year (31 December 2023: Nil).

30. Contract liabilities

	31 December 2024	31 December 2023
Advances for goods	5,938,383	6,857,534
Advances for construction	8,643,061	6,178,643
Advances for trade and logistics	18,497	16,848
Total	14,599,941	13,053,025

The contract liabilities of RMB9,834,256,000, included in the carrying amount as at 31 December 2023 (2023: RMB11,226,369,000), were transferred to revenue in 2024. The remainder is expected to be transferred to revenue in 2025 according to respective project cycles.

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31. Employee benefits payable

	Notes	31 December 2024	31 December 2023
Short-term wages	(1)	6,182,499	5,250,730
Defined contribution plans	(2)	50,563	50,315
Termination benefits	(3)	18,479	13,882
Total		6,251,541	5,314,927

(1) Short-term wages

	31 December 2023	Increase in current year	Decrease in current year	Translation difference of foreign currency statements	31 December 2024
Wages or salaries, bonuses, allowances and subsidies	4,530,659	14,319,213	(13,433,054)	(3,867)	5,412,951
Profit-sharing and senior management bonus	472,874	62,490	(3,901)	–	531,463
Housing funds	7,630	434,133	(433,819)	–	7,944
Labour union funds and employee education funds	144,658	160,568	(153,099)	–	152,127
Social security contributions and others	22,875	463,776	(465,132)	(101)	21,418
Including: Medical insurance	14,898	421,622	(424,505)	–	12,015
Work injury insurance	6,987	33,095	(30,856)	(101)	9,125
Maternity insurance	990	9,059	(9,771)	–	278
Other short-term wages	72,034	634,060	(649,220)	(278)	56,596
Total	5,250,730	16,074,240	(15,138,225)	(4,246)	6,182,499

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31. Employee benefits payable (Continued)

(2) Defined contribution plans

	31 December 2023	Increase in current year	Decrease in current year	Translation difference of foreign currency statements	31 December 2024
Basic pensions	48,471	794,482	(794,637)	306	48,622
Unemployment insurance	1,716	27,009	(27,167)	–	1,558
Enterprise annuities	128	9,803	(9,548)	–	383
Total	50,315	831,294	(831,352)	306	50,563

The Group pays the endowment insurance premium and unemployment insurance premium to relevant agencies on a monthly basis. The base and proportion are specified by the local labour and social security department. The payment cannot be used to offset the amount that the Group should deposit for employees in the future.

(3) Termination benefits payable

	31 December 2024	31 December 2023
Others (i)	18,479	13,882

(i) As at 31 December 2024, the Group provided other compensation amounting to RMB57,237,000 (2023: RMB79,555,000) to compensate for the termination of employment relationship.

32. Taxes payable

	31 December 2024	31 December 2023
Corporate income tax payable	1,233,307	532,325
VAT payable	796,645	309,046
Urban maintenance and construction tax payable	94,245	76,270
Educational surcharge payable	72,731	55,994
Individual income tax payable	53,739	60,704
Property tax payable	49,755	36,531
Others	108,292	99,165
Total	2,408,714	1,170,035

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33. Other payables

	Notes	31 December 2024	31 December 2023
Accrued expenses		2,923,264	2,869,642
Warranties		501,476	617,840
Equipment or land use rights		218,996	496,327
Transportation charges		200,468	241,401
Equity payable	(1)	66,018	200,883
Equity incentive	(2)	82,934	180,068
Dividends due to minority interests		128,567	44,585
Advance received and others		1,448,913	1,729,929
Total		5,570,636	6,380,675

- (1) The equity payable of CIMC Wetrans Zelian International Logistics (Hong Kong) Co. Ltd. ("Zelian Hong Kong") purchased by Asia Nova Freight Co., Ltd. ("Asia Nova"), a subsidiary of the Group, was RMB22,500,000. CIMC Technology Co., Ltd. ("CIMC Technology") purchased the accounts payable for the equity transfer amounting to RMB27,493,000 from Yangzhou Tongli Refrigerated Container Co., Ltd.
- (2) The equity incentives (Note XI.2) are mainly the payables of CIMC Safe Tech and CIMC Liquid Process Technologies Co., Ltd. ("CLPT"), a subsidiary of the Group.
- (3) As at 31 December 2024, other payables aged more than 1 year were mainly unsettled warranties, deposits, etc.

34. Provisions

	Notes	31 December 2023	Increase in current year	Decrease in current year	Translation difference of foreign currency statements	31 December 2024
Product warranties	(1)	949,294	948,697	(524,120)	165,736	1,539,607
Provisions for litigation and compensation loss		150	104,792	–	5,670	110,612
Relocation and liquidation compensation	(2)	172,882	–	(7,257)	–	165,625
Loss contract	(3)	30,808	20,893	(29,558)	(219)	21,924
Car loan risk provision		16,373	–	(12,912)	–	3,461
Others	(4)	145,938	105,550	(4,539)	2,360	249,309
Total		1,315,445	1,179,932	(578,386)	173,547	2,090,538

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34. Provisions (Continued)

- (1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one to five years for trailers, one to seven years for tank equipment, 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 – Product warranties" 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 CIMC Burg B.V., a subsidiary 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) As at 15 March 2023, C&C Trucks completed the regarding strategic restructuring transaction. According to the restructuring agreement, liabilities incurred to C&C Trucks and its directly shareholding subsidiaries within two years at restructuring transaction data due to matters before closing date of restructuring transaction were born by the Company with an aggregate limit of RMB100 million. As at 31 December 2024, by fully considering the latest liabilities of C&C Trucks and its directly shareholding subsidiaries, the Company fully recognised provisions according to the above restructuring agreement.

35. Non-current liabilities due within one year

The Group's non-current liabilities due within one year are analysed by categories as follows:

	Note	31 December 2024	31 December 2023
Current portion of long-term borrowings	V.37	3,440,969	9,292,880
Current portion of bonds payables	V.38	507,583	–
Current portion of lease liabilities	V.39	261,074	261,238
Current portion of long-term payables		86,962	121,501
Total		4,296,588	9,675,619

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36. Other current liabilities

	31 December 2024	31 December 2023
Super short-term financing bills (i)	503,016	2,002,618
VAT to be recognised (ii)	453,675	612,986
Others	2,411	412,763
Total	959,102	3,028,367

(i) Related information of short-term debentures payable is as follows:

	31 December 2023	Issuance in current year	Interest at par value	Amortisation of excess/ discount	Translation difference of foreign currency statements	Repayment in current year	31 December 2024
23 CIMC SCP005	2,002,618	–	11,356	–	–	(2,013,974)	–
24 CIMC SCP001	–	2,000,000	11,452	–	–	(2,011,452)	–
24 CIMC SCP002	–	2,000,000	10,356	–	–	(2,010,356)	–
24 Enric SCP001	–	500,000	3,016	–	–	–	503,016
Total	2,002,618	4,500,000	36,180	–	–	(6,035,782)	503,016

	Par value	Nominal interest rate	Issuance date	Maturity	Issuance amount	Default or not
23 CIMC SCP005	2,000,000	2.81%	14 Dec 2023	91 days	2,000,000	No
24 CIMC SCP001	2,000,000	2.09%	8 Mar 2024	100 days	2,000,000	No
24 CIMC SCP002	2,000,000	1.80%	13 Jun 2024	105 days	2,000,000	No
24 Enric SCP001	500,000	2.02%	12 Sep 2024	270 days	500,000	No

(ii) VAT which is recognised as relevant revenue (or gains) or contract payments received but has not yet incurred VAT liability by the Group (as a general taxpayer) and will be recognised as output VAT in subsequent periods, and the Group includes it in the VAT to be recognised.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Long-term borrowings

	Note	31 December 2024	31 December 2023
Unsecured		13,609,589	11,039,973
Guaranteed	(i)	9,171,616	11,714,092
Pledged	(ii)	37,362	62,270
Sub-total		22,818,567	22,816,335
Less: Current portion of long-term borrowings	V.35		
Unsecured		(2,453,293)	(2,034,978)
Guaranteed	(i)	(962,768)	(7,232,994)
Pledged	(ii)	(24,908)	(24,908)
Sub-total		(3,440,969)	(9,292,880)
Total		19,377,598	13,523,455

- (i) As at 31 December 2024, the guaranteed borrowings of RMB9,171,616,000 (31 December 2023: RMB11,714,092,000) was guaranteed by the Company or the Company's subsidiaries to member companies of the Group.
- (ii) As at 31 December 2024, the Group's principal and interest of pledged borrowings were RMB37,362,000 borrowed from the bank with 60% equity of its subsidiary Shenyang Jietong as collateral, of which the pledged borrowings that would expire within one year were RMB24,908,000 (As at 31 December 2023, the Group's principal and interest of pledged borrowings were RMB62,270,000 borrowed from the bank with 60% equity of its subsidiary Shenyang Jietong as collateral, of which the pledged borrowings that would expire within one year were RMB24,908,000).
- (iii) As at 31 December 2024, the Group did not have overdue long-term borrowings and the interest rate of long-term borrowings ranged from 1.20% to 4.25% (31 December 2023: 1.20% to 7.08%).

38. Debentures payable

	Note	31 December 2023	Issuance in current year	Interest at par value	Redeemed this year	Interest paid in current year	Translation difference of foreign currency statements	31 December 2024
Medium-term notes	(1)	507,583	4,000,000	75,721	-	(13,000)	(27,079)	4,543,225
Convertible bond	(2)	1,452,871	-	-	(1,333,299)	(155,437)	35,865	-
Sub-total		1,960,454	4,000,000	75,721	(1,333,299)	(168,437)	8,786	4,543,225
Less: Bonds Payable Due Within One Year	V.35	-						(507,583)
Total		1,960,454						4,035,642

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38. Debentures payable (Continued)

(1) Medium-term notes are as follows:

Debenture name	Par value	Nominal interest rate	Issuance date	Maturity	Issuance amount	Default or not
22 CIMC GN001(blue bonds) (i)	500,000	2.60%	30 May 2022	3 years	500,000	No
24 CIMC MTN002 (ii)	2,000,000	2.81%	26 Mar 2024	5 years	2,000,000	No
24 Enric MTN001 (iii)	500,000	2.43%	22 Apr 2024	3 years	500,000	No
24 Enric MTN002 (iv)	1,500,000	2.37%	09 Sep 2024	5 years	1,500,000	No

- (i) On 30 May 2022, the Company issued the first tranche of 2022 green medium-term notes (Blue Bonds) at par value for an issue amount of RMB500 million, with par value and issue price of RMB100 respectively per note and fixed interest rate of 2.6% per annum. Interest is to be paid on 1 June each year in the arrears until redemption and principal to be paid on 1 June 2025. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (ii) On March 26, 2024, the Company issued the second tranche of medium-term notes (technology innovation instrument) for the year 2024 at par value, with an issuance amount of RMB2 billion; each medium-term note has an issue price and face value of RMB100; the interest rate is fixed at 2.81% per annum, and interest will be paid annually on March 28th during the term of the notes, with the principal to be repaid in full on the redemption date of March 28, 2029. These medium-term notes are not guaranteed and are issued to qualified institutional investors in the interbank market.
- (iii) On April 22, 2024, the subsidiary of our Group Enric issued the first tranche of medium-term notes for the year 2024 at par value, with an issuance amount of RMB500 million; each medium-term note has an issue price and face value of RMB100; the interest rate is fixed at 2.43% per annum, and interest will be paid annually on April 24th during the term of the notes, with the principal to be repaid in full on the redemption date of April 24, 2027. These medium-term notes are not guaranteed and are issued to qualified institutional investors in the interbank market.
- (iv) On September 9, 2024, the subsidiary of our Group Enric issued the second tranche of medium-term notes for the year 2024 at par value, with an issuance amount of RMB1.5 billion; each medium-term note has an issue price and face value of RMB100; the interest rate is fixed at 2.37% per annum, and interest will be paid annually on September 11th during the term of the notes, with the principal to be repaid in full on the redemption date of September 11, 2029. These medium-term notes are not guaranteed and are issued to qualified institutional investors in the interbank market.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. Debentures payable (Continued)

(2) Convertible bond

On 30 November 2021, Enric, the subsidiary of the Group, issued 5-year zero coupon convertible bond at a principal amount of HKD1,680,000,000 pursuant to the relevant subscription agreement dated on 16 November 2021. The maturity date of the bonds is 30 November 2026. Bondholders may convert their bonds into ordinary shares at any time on or after 10 January 2022 up to the 10th day prior to 30 November 2026. Conversion shares will be issued upon full or part conversion of the convertible bond based on the contracted conversion price of HKD11.78 per share.

Under the terms of the convertible bond, upon the event of a specified event, the bondholders will have the right to require Enric to redeem all or part of the bonds of such holders in principal amount on 30 November 2024, as well as unpaid default interest, if any.

On 20 May 2022, Enric adjusted the conversion price per share from HKD11.78 to HKD11.49 by resolution of the General Meeting of Shareholders in accordance with the terms and vesting conditions of the convertible bonds, which was effective from 7 June 2022. All other terms and vesting conditions of the convertible bond, except for the conversion price adjustment, remain unchanged.

Enric's convertible bond includes liability component and equity component.

In 2024, there are embedded derivatives in respect of the early redemption features of the convertible bond. Such embedded derivatives are deemed to be clearly and closely related to the host contract and therefore do not need to be separately accounted for.

As at the date of issue, the fair value of the liability component of the convertible bonds was disclosed as below:

Principal amount	1,374,106
Issuance expenses	(18,002)
Liability component	(1,232,160)
Equity component	123,944

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38. Debentures payable (Continued)

(2) Convertible bond (Continued)

Subsequent to the initial recognition, the liability component of the convertible bonds has been carried at amortised cost using the effective interest method. The movement of the liability component and the equity component of the convertible bonds for the year ended 31 December 2024 is set out below:

	Liability component	Equity component	Total
1 January 2024	1,452,871	123,944	1,576,815
Interest	(155,437)	–	(155,437)
Convertible bonds were redeemed for the year	(1,333,299)	(123,944)	(1,457,243)
Exchange difference	35,865	–	35,865
31 December 2024	–	–	–

The equity component will remain in owners' equity until the embedded conversion option is exercised or the convertible bonds reach its maturity in 2026.

On December 2, 2024, Enric redeemed HKD1.68 billion in zero-coupon convertible bonds originally due to mature in 2026. The entire principal of the bonds has been fully redeemed and canceled, with no outstanding debt remaining.

39. Lease liabilities

	31 December 2024	31 December 2023
Lease liabilities	1,130,458	1,081,876
Less: Non-current liabilities due within one year (Note V.35)	(261,074)	(261,238)
Total	869,384	820,638

As at 31 December 2024, the events that were not included in lease liabilities but would lead to potential cash outflows of the Group are as follows:

As at 31 December 2024, the Group had no lease payments related to the lease contracts that were signed by the Group but had not yet taken effect (31 December 2023: Nil).

As at 31 December 2024, the future minimum lease payments of short-term leases and low-value asset leases adopting the practical expedient according to the new lease standard were insignificant.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Deferred income

		31 December 2023	Increase in current year	Decrease in current year	31 December 2024
Government grants	(1)	1,028,427	105,661	(360,130)	773,958
Others		3,650	22,086	(8,205)	17,531
Total		1,032,077	127,747	(368,335)	791,489

(1) Government grants

	31 December 2023	Increase in current year	Decrease in current year		31 December 2024
			Other income	Write-down of financial expenses	Write-down of assets
Government grants related to assets	834,249	11,295	(31,928)	–	(206,916)
Government grants related to income	194,178	94,366	(110,731)	(10,555)	–
Total	1,028,427	105,661	(142,659)	(10,555)	(206,916)

41. Other non-current liabilities

	Note	31 December 2024	31 December 2023
Forward foreign exchange contracts (Note V.3)	(i)	461	5,159
Others		29,401	49,795
Total		29,862	54,954

- (i) As at 31 December 2024, the Group had 2 unsettled forward foreign exchange contracts denominated in USD, with a nominal value amounting to USD250,000,000 and fair value of RMB461,000. The settlement date of the aforesaid forward foreign exchange contracts was on 20 May 2027.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42. Share capital

	31 December 2023 and 2024
Shares subject to trading restriction	
Held by domestic natural person	1,275
Share not subject to trading restriction	
RMB denominated ordinary shares	2,301,408
Foreign shares listed overseas	3,089,838
Total	5,392,521

43. Other equity instruments

	31 December 2023	Issuance in current year	Interest at par value	Paid in current year	31 December 2024
22 CIMC MTN001(a)	2,049,774	–	64,200	(64,200)	2,049,774
24 CIMC MTN001(b)	–	2,000,000	43,245	–	2,043,245
Total	2,049,774	2,000,000	107,445	(64,200)	4,093,019

- (a) Approved by the National Association of Financial Market Institutional Investors with Document (Zhong Shi Xie Zhu [2021] No. DFI 31), the Company issued a cumulative perpetual bond (**22 CIMC MTN001**) with no fixed repayment period on 16 February 2022, with a total book value of RMB2 billion and an initial fixed interest rate of 3.21%. Other key terms of the bond are listed as follows:

- (1) The bond has a maturity of 3+N (3) years, which lasts for a long period of time before the issuer redeems it in accordance with the terms of issuance and matures when the issuer redeems it in accordance with the terms of issuance.
- (2) The bond is subject to the issuer's right to deferred interest payments. Unless any event that triggers the mandatory payment of interest occurs, on each of the distribution payment dates, the issuer may elect to defer any distribution including any arrears of distribution and any additional distribution amount which has been deferred to the next distribution payment date according to this term. The distribution deferral is not subject to any limit as to the number of times that distribution and arrears of distribution can be deferred.
- (3) The issuer is not allowed to distribute dividends to ordinary shareholders or reduce the registered capital within 12 months prior to the payment of interest before the deferred distribution and arrears of distribution are fully paid.

As the perpetual debt does not constitute a contractual obligation that the Company has to pay cash or other financial assets, it is classified as an equity instrument and presented as other equity instrument.

- (b) Approved by the National Association of Financial Market Institutional Investors with Document (Zhong Shi Xie Zhu [2023] No. MTN1304), the Company issued a cumulative perpetual bond (**24 CIMC MTN001**) with no fixed repayment period on 20 March 2024, with a total book value of RMB2 billion and an initial fixed interest rate of 2.78%. Other key terms of the bond are listed as follows:

- (1) The bond has a maturity of 3+N (3) years, which lasts for a long period of time before the issuer redeems it in accordance with the terms of issuance and matures when the issuer redeems it in accordance with the terms of issuance.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Other equity instruments (Continued)

(b) (Continued)

- (2) The bond is subject to the issuer's right to deferred interest payments. Unless any event that triggers the mandatory payment of interest occurs, on each of the distribution payment dates, the issuer may elect to defer any distribution including any arrears of distribution and any additional distribution amount which has been deferred to the next distribution payment date according to this term. The distribution deferral is not subject to any limit as to the number of times that distribution and arrears of distribution can be deferred.
- (3) The issuer is not allowed to distribute dividends to ordinary shareholders or reduce the registered capital within 12 months prior to the payment of interest before the deferred distribution and arrears of distribution are fully paid.

As the perpetual debt does not constitute a contractual obligation that the Company has to pay cash or other financial assets, it is classified as an equity instrument and presented as other equity instrument.

44. Capital reserve

	31 December 2023	Increase in current year	Decrease in current year	31 December 2024
Share premium	4,058,400	40,960	(120,963)	3,978,397
Including: Contributions by minority interests	3,524,610	40,960	(1,773)	3,563,797
Disposals of partial equity of subsidiary	986,115	—	—	986,115
Acquisition of minority interests of subsidiary (Note VII.1(5))	(1,815,763)	—	(119,190)	(1,934,953)
Increase in minority interests resulted from establishment of subsidiary	(107,258)	—	—	(107,258)
Transfer from capital reserve to share capital	(1,797,507)	—	—	(1,797,507)
Others	3,268,203	—	—	3,268,203
Other capital reserve	490,286	146,191	(278,299)	358,178
Including: Increase in shareholders' equity resulted from share-based payments	675,989	114,624	(278,299)	512,314
Increase in minority interests due to share option exercised by subsidiary	9,736	29,734	—	39,470
Subsidiary issuance of convertible bond	123,944	—	—	123,944
Effect of changes in recording currency	(406,795)	—	—	(406,795)
Others	87,412	1,833	—	89,245
Total	4,548,686	187,151	(399,262)	4,336,575

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45. Treasury shares

	31 December 2023	Increase in current year	Decrease in current year	31 December 2024
Repurchase	–	200,098	–	200,098

46. Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the 2024 income statement			
	31 December 2023	Post-tax amount attributable to the Company	31 December 2024	Pre-tax amount incurred	Less: Income tax expenses	Post-tax amount attributable to the Company	Post-tax amount attributable to minority interests
Items that will not be reclassified to profit or loss							
– Changes in fair values of other equity investments	172,190	(196,419)	(24,229)	(220,972)	24,553	(196,419)	–
Items that may be reclassified subsequently to profit or loss							
– Translation difference of foreign currency statements	(243,312)	(609,501)	(852,813)	(644,323)	–	(609,501)	(34,822)
– The share of other comprehensive income that will be reclassified into profit or loss under equity method	243,862	74,413	318,275	74,413	–	74,413	–
– Effect of hedge accounting	–	14,838	14,838	14,838	–	14,838	–
– The amount greater than the carrying amount on the conversion date when the self-use real estate was converted to investment properties using fair value measurement	387,152	–	387,152	–	–	–	–
Total	559,892	(716,669)	(156,777)	(776,044)	24,553	(716,669)	(34,822)

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47. Surplus reserve

	31 December 2023	Increase in current year	Decrease in current year	31 December 2024
Statutory surplus reserve	2,696,259	–	–	2,696,259
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	4,486,351	–	–	4,486,351

In accordance with the *Company Law of the People's Republic of China* and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year 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. Due to the cumulative amount of statutory surplus reserve reaching 50% of the registered capital, the Company will no longer appropriated statutory surplus reserve for this year (2023: appropriated 10% of the net profit to the statutory surplus reserve, amounting to RMB186,096,000).

48. Undistributed profits

	Note	2024	2023
Undistributed profits at the beginning of the year		30,801,685	31,597,541
Add: Net profit attributable to shareholders and other equity holders of the Company in current year		2,972,343	421,249
Add: Impact of share-based payments by subsidiaries		84,168	–
Less: Equity attributable to holders of other equity instruments in current year		(107,445)	(64,200)
Less: Appropriation to surplus reserve		–	(186,096)
Less: Ordinary share dividends payable	(1)	(118,931)	(966,809)
Undistributed profits at the end of the year		33,631,820	30,801,685

(1) Ordinary share dividends distributed in current year

	2024	2023
Total proposed dividends in the year	118,931	966,809

Approved by the shareholders' general meeting on 26 June 2024, the Company distributed cash dividends to ordinary shareholders on 16 August 2024, at RMB0.022 per share (2023: RMB0.18 per share), totalling RMB118,931,000 (2023: RMB966,809,000).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Revenue and cost of sales

	2024	2023 (Restated)
Revenue from main operations	175,711,991	126,087,652
Revenue from other operations	1,952,107	1,721,867
Total	177,664,098	127,809,519
Cost of sales from main operations	153,941,837	108,996,646
Cost of sales from other operations	1,475,501	1,446,475
Total	155,417,338	110,443,121

(1) Revenue and cost of sales from main operations by industry

	2024		2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Containers manufacturing business	60,954,165	51,623,508	28,905,162	24,635,629
Logistics services business	31,146,693	29,368,809	19,725,017	18,559,421
Road transportation vehicles business	20,280,882	17,096,127	24,447,929	19,827,374
Energy, chemical and liquid food equipment business	25,021,676	21,742,584	24,546,405	20,841,128
Airport facilities and logistics equipment, fire safety and rescue equipment business	6,991,637	5,493,845	6,832,267	5,423,560
Offshore engineering business	16,223,295	14,454,602	10,023,535	8,796,198
Recycled load business	2,333,697	2,119,113	2,793,741	2,466,322
Finance and asset management	2,075,598	2,156,837	2,215,558	2,415,024
Others	10,684,348	9,886,412	6,598,038	6,031,990
Total	175,711,991	153,941,837	126,087,652	108,996,646

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49. Revenue and cost of sales (Continued)

(2) Revenue and cost of sales from main operations by location

	2024		2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
China	159,176,987	139,286,040	107,814,120	94,155,507
America	6,740,952	6,512,370	9,975,275	7,919,501
Europe	6,030,260	5,558,482	5,105,835	4,923,658
Asia (except for China)	2,900,658	2,127,173	2,742,317	1,889,818
Others	863,134	457,772	450,105	108,162
Total	175,711,991	153,941,837	126,087,652	108,996,646

The main business's operating income and operating costs are divided according to the location of the company that provides the service or sells the product.

(3) Revenue and cost of sales from other operations

	2024		2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of raw materials	1,044,492	721,224	842,331	644,590
Rendering of services	796,422	729,778	755,901	744,244
Rental income (i)	111,193	24,499	123,635	57,641
Total	1,952,107	1,475,501	1,721,867	1,446,475

- (i) The Group's rental income comes from leasing its own houses and buildings, machinery and equipment and transportation vehicles. In 2024, there was no variable rent in the rental income based on a certain percentage of the lessee's sales (2023: Nil). In 2024, there was no significant change on financial leasing (2023: Nil).

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49. Revenue and cost of sales (Continued)

(4) The Group's revenue and cost of sales classified by segment reports are as follows:

	2024									
	Containers manufacturing business	Road transportation vehicles business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport facilities and logistics equipment, fire safety and rescue equipment business	Logistics services business	Recycled load business	Finance and asset management business	Others	Total
Revenue from main operations										
Including:										
Recognised at a point in time	59,627,714	19,928,292	24,957,642	1,090,029	6,471,921	31,146,693	2,333,697	-	10,684,348	156,240,336
Recognised over time	1,326,451	352,590	64,034	15,133,266	519,716	-	-	2,075,598	-	19,471,655
Revenue from other operations (i)	576,310	474,429	420,896	169,522	99,776	43,095	22,176	1,882	144,021	1,952,107
Total	61,530,475	20,755,311	25,442,572	16,392,817	7,091,413	31,189,788	2,355,873	2,077,480	10,828,369	177,664,098

	2024									
	Containers manufacturing business	Road transportation vehicles business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport facilities and logistics equipment, fire safety and rescue equipment business	Logistics services business	Recycled load business	Finance and asset management business	Others	Total
Cost of sales from main operations										
Including:										
Relevant revenue recognised at a point in time	50,500,106	16,798,905	21,686,942	971,192	5,091,320	29,368,809	2,119,113	-	9,886,412	136,422,799
Relevant revenue recognised over time	1,123,402	297,222	55,642	13,483,410	402,525	-	-	2,156,837	-	17,519,038
Cost of sales from other operations	546,684	285,948	299,670	167,467	63,894	36,852	6,876	70	68,040	1,475,501
Total	52,170,192	17,382,075	22,042,254	14,622,069	5,557,739	29,405,661	2,125,989	2,156,907	9,954,452	155,417,338

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49. Revenue and cost of sales (Continued)

(4) The Group's revenue and cost of sales classified by segment reports are as follows: (Continued)

	2023									
	Containers manufacturing business	Road transportation vehicles business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport facilities and logistics equipment, fire safety and rescue equipment business	Logistics services business	Recycled load business	Finance and asset management business	Others	Total
Revenue from main operations										
Including:										
Recognised at a point in time	28,905,162	24,134,364	15,013,452	111,318	4,363,163	19,725,017	2,793,741	362,123	6,598,038	102,006,378
Recognised over time	–	313,565	9,532,953	9,912,217	2,469,104	–	–	1,853,435	–	24,081,274
Revenue from other operations (i)	422,272	358,294	427,973	220,197	98,880	41,738	32,528	1,992	117,993	1,721,867
Total	29,327,434	24,806,223	24,974,378	10,243,732	6,931,147	19,766,755	2,826,269	2,217,550	6,716,031	127,809,519

	2023									
	Containers manufacturing business	Road transportation vehicles business	Energy, chemical and liquid food equipment business	Offshore engineering business	Airport facilities and logistics equipment, fire safety and rescue equipment business	Logistics services business	Recycled load business	Finance and asset management business	Others	Total
Cost of sales from main operations										
Including:										
Relevant revenue recognised at a point in time	24,635,629	19,634,591	13,893,728	82,395	3,498,498	18,559,421	2,466,322	394,725	6,031,990	89,197,299
Relevant revenue recognised over time	–	192,783	6,947,400	8,713,803	1,925,062	–	–	2,020,299	–	19,799,347
Cost of sales from other operations	628,419	132,639	315,030	205,658	79,939	27,589	8,448	47	48,706	1,446,475
Total	25,264,048	19,960,013	21,156,158	9,001,856	5,503,499	18,587,010	2,474,770	2,415,071	6,080,696	110,443,121

- (i) The Group's revenue from sales of materials included in revenue from other operations is recognised at a certain point in time. The revenue from rental income and rendering of services is recognised over time.

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50. Taxes and surcharges

	2024	2023	Standard
Urban maintenance and construction tax	181,211	140,371	1% – 7% of VAT paid
Educational surcharge	144,979	110,446	3% – 5% of VAT paid
Housing property tax	122,456	110,601	Real estate surplus or property rental income and applicable tax rate
Stamp duty	105,125	77,142	Amount or number of taxable voucher and applicable tax rate or unit tax
Tenure tax	83,264	80,807	Actual using area of land and unit tax
Others	19,048	21,924	
Total	656,083	541,291	

51. Selling and distribution expenses

	2024	2023 (restated)
Employ fees	1,452,949	1,283,025
Selling operation expenses	396,072	415,893
Storage	168,295	105,253
External sales commission	145,763	216,049
Agency fees	83,126	100,332
Depreciation and amortisation expenses	41,052	49,662
Transportation and distribution expenses	34,833	28,073
Advertising fee	16,977	24,285
Product maintenance fee	16,378	20,660
Others	272,425	286,534
Total	2,627,870	2,529,766

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52. General and administrative expenses

	2024	2023
Employ fees	4,242,432	3,817,018
Agency fees	370,253	500,615
Depreciation and amortisation expenses	556,603	528,068
Entertainment fee	167,679	165,709
Share-based payment expenses (Note XI.1)	171,560	88,685
Right-of-use assets depreciation	123,140	98,017
Rental	102,912	122,003
Taxes and surcharges	126,619	77,639
System maintenance and software fee	135,637	126,051
Travel expenses	144,245	145,946
Materials consumed and low-value consumables	46,508	43,973
Audit fee	17,113	16,987
– Audit expenses	10,913	14,666
– Non-audit expenses ("Note")	6,200	2,321
Insurance, external repairing expenses and others	750,338	774,503
Total	6,955,039	6,505,214

Note: It does not include non-audit services for other independent listed companies within the Group.

53. Research and development expenses

	2024	2023
Research and development labour costs	1,161,104	1,068,561
Direct material consumption	1,015,631	944,395
Testing fee	155,382	127,116
Depreciation and amortisation	79,664	85,286
Design fee	62,095	20,206
Others	235,231	183,588
Total	2,709,107	2,429,152

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Financial expenses

	2024	2023
Interest expenses of borrowings	2,023,758	1,994,147
Add: Interest expenses on lease liabilities	33,830	35,509
Less: Capitalised interest expenses	(7,429)	(79,834)
Less: Government grants (Note V.40(1))	(10,555)	(6,890)
Sub-total	2,039,604	1,942,932
Less: Interest income from bank deposits	(483,210)	(326,994)
Net foreign exchange gains	(338,618)	(253,022)
Others	147,100	143,841
Total	1,364,876	1,506,757

55. 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:

	2024	2023
Consumption of raw materials and low-valued consumables, etc.	107,242,602	80,277,422
Transportation and distribution expenses	32,159,983	19,574,805
Salary and wages	16,962,771	12,474,146
Depreciation and amortisation expenses	4,051,954	3,585,132
Processing and repairing expenses	2,832,392	1,724,323
Power expenses	1,198,439	809,529
Finished goods and products in progress movement	(743,058)	(719,812)
Selling operation expenses	396,072	415,893
Rental (i)	308,381	318,874
Audit fee	17,113	16,987
Other expenses – other general and administrative expenses	1,562,194	1,705,243
Other expenses – other selling and distribution expenses	658,326	948,766
Other expenses – other manufacturing expenses	643,887	468,912
Other expenses – other research and development expenses	418,298	307,033
Total	167,709,354	121,907,253

- (i) As mentioned in Note III.29, for short-term leases with a term of 12 months or less and leases of an individual asset of low value, the Group may include the lease payment in the profit or loss for the current period. In 2024, the amount was RMB308,381,000 (2023: RMB318,874,000).

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56. Losses on changes in fair value

	2024	2023
Investment properties at fair value	8,311	(16,536)
Financial liabilities at fair value through profit or loss		
– Financial liabilities held for trading	(6,372)	6,902
Financial assets at fair value through profit or loss		
– Financial assets held for trading and other non-current financial assets	(25,615)	67,821
Derivative financial instruments	(645,361)	(669,572)
Total	(669,037)	(611,385)

57. Investment losses

	2024	2023
Dividend income from other equity investments	91,272	97,428
Investment income from disposals of financial assets/liabilities held for trading	51,446	56,870
Investment income from disposals of long-term equity investments	23,482	89,449
Investment income from financial assets held for trading during the holding period	3,506	1,714
(Losses)/income from long-term equity investments under equity method	(34,268)	198,771
Investment losses from disposals of derivative financial instruments	(626,749)	(778,772)
Others	(2,441)	87
Total	(493,752)	(334,453)

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58. Gains on disposals of assets

	2024	2023	Amount recognised in non-recurring profit or loss in 2024
Gains on disposals of fixed assets	112,245	22,697	112,245
Gains/(losses) on disposals of intangible assets	2,005	(224)	2,005
Gains on disposals of other assets	150	1,309	150
Total	114,400	23,782	114,400

59. Other income

	2024	2023	Asset related/ Income related
Financial subsidies	319,359	428,511	Asset/Income related
Value-added tax additional deduction	121,514	38,648	Others
Tax refund	65,857	67,837	Income related
Others	68,807	35,677	Income related/ others
Total	575,537	570,673	

60. Asset impairment losses

	2024	2023
Impairment losses on fixed assets	35,409	16,633
Impairment losses on inventories and costs incurred to fulfil a contract	269,933	241,268
Impairment losses on goodwill	130,744	73,757
Impairment losses on assets held for sale	–	16,365
Impairment losses on long-term equity investments	–	1,063
Impairment losses on bad debts of advance to suppliers	138	173,810
Impairment (reversal of)/losses on contract assets	(19,732)	3,418
Total	416,492	526,314

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61. Credit impairment losses

	2024	2023
Losses on bad debts of accounts receivable	501,435	188,386
Reversal of bad debts of other receivables	(3,491)	(27,019)
Losses on bad debts of long-term receivables (including current portion of non-current assets)	6,401	717
Reversal of financial guarantee contracts	(11,245)	(18,526)
Reversal of bad debts of receivables financing	(823)	(51)
(Reversal of)/losses on bad debts of notes receivables	(733)	1,102
Total	491,544	144,609

62. Non-operating income

	2024	2023	Amount recognised in non-recurring profit or loss in 2024
Write-back of payables and advances from customers	138,603	23,227	138,603
Penalty income	18,447	15,098	18,447
Compensation income	15,777	46,316	15,777
Others	76,970	40,731	76,970
Total	249,797	125,372	249,797

63. Non-operating expenses

	2024	2023	Amount recognised in non-recurring profit or loss in 2024
Losses on scrapping of fixed assets	88,693	45,233	88,693
Claims expenses	26,536	11,014	26,536
Donations	17,598	16,375	17,598
Penalty expenses	4,514	11,880	4,514
Others	70,106	38,608	70,106
Total	207,447	123,110	207,447

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64. Income tax expenses

	2024	2023
Current income tax calculated based on tax law and related regulations	2,633,311	1,102,483
Deferred income tax	(233,221)	(131,683)
Total	2,400,090	970,800

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is set out as below:

	2024	2023
Total profit	6,595,247	2,834,174
Income tax expenses calculated at applicable tax rates (25%)	1,648,812	708,543
The effect of using different tax rates for subsidiaries	(122,200)	150,579
Effect of tax incentive	(167,304)	(166,183)
Cost, expenses and losses not deductible for tax purposes	77,588	94,152
Other income not subject to tax	(30,557)	(42,527)
Utilisation of previously unrecognised deductible losses	(116,120)	(455,557)
Deductible losses for which no deferred tax asset was recognised	1,090,183	922,555
Deductible temporary differences for which no deferred tax asset was recognised	107,618	112,312
Utilisation of previously unrecognised deductible temporary differences	(126,835)	(289,173)
Tax refund for income tax annual filing	38,905	(63,901)
Income tax expenses	2,400,090	970,800

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. Calculation of basic earnings per share and diluted 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 of the Company:

	2024	2023
Consolidated net profit attributable to shareholders of the Company	2,972,343	421,249
Less: Equity attributable to holders of other equity instruments	(107,445)	(64,200)
Consolidated net profit attributable to ordinary shareholders of the Company	2,864,898	357,049
Weighted-average number of ordinary shares outstanding of the Company ('000)	5,369,929	5,392,521
Basic earnings per share (RMB/share)	0.53	0.07
Including: Basic earnings per share from continuing operations	0.53	0.07
Basic earnings per share from discontinued operations	—	—

Weighted-average number of ordinary shares is calculated as follows:

	2024	2023
Number of ordinary shares in issue as at the beginning of the year	5,392,521	5,392,521
Impact of share repurchase	(22,592)	—
Weighted-average number of ordinary shares as at the end of the year	5,369,929	5,392,521

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. Calculation of basic earnings per share and diluted earnings per share (Continued)

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated 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 of the Company:

	2024	2023
Consolidated net profit attributable to shareholders of the Company	2,972,343	421,249
Impact of the issuing of the perpetual bonds by the Company	(107,445)	(64,200)
Impact of share-based payments by subsidiaries of the Group	(33,624)	(75,406)
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company	2,831,274	281,643
Weighted-average number of ordinary shares outstanding of the Company (diluted) ('000) (adjusted)	5,369,929	5,392,521
Diluted earnings per share (RMB/share)	0.53	0.05

Weighted-average number of ordinary shares (diluted) is calculated as follows:

	2024	2023
Weighted-average number of ordinary shares as at the end of the year	5,392,521	5,392,521
Impact of share repurchase	(22,592)	—
Weighted-average number of ordinary shares as at the end of the year (diluted) ('000) (adjusted)	5,369,929	5,392,521

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66. Information to cash flow statement

The Group did not have cash flows presented on a net basis, and significant cash flow items are as follows:

(1) Cash received relating to other operating activities

	2024	2023
Interest received	483,210	341,426
Compensation income received	15,777	46,316
Cash received from penalty income	18,447	15,098
Government grants received and others	500,629	583,822
Total	1,018,063	986,662

(2) Cash paid relating to other operating activities

	2024	2023
Cash paid for research and development expenses	1,468,339	1,275,305
Cash paid for insurance, rental and other miscellaneous expenses related to sales	823,148	1,089,878
Cash paid for warranty	640,484	422,770
Cash paid for selling operation expenses	396,072	415,893
Cash paid for entertainment expenses	167,679	165,709
Cash paid for agency	370,253	500,615
Others	442,080	797,040
Total	4,308,055	4,667,210

(3) Cash received from disposals of investments

	2024	2023
Cash received from disposals of associates and joint ventures	143,600	124,978
Cash received from disposal of financial assets held for trading	15,637,680	6,545,794
Cash received from redemption of fixed deposits	653,315	542,452
Cash received from disposals of other non-current financial assets	78,135	24,788
Total	16,512,730	7,238,012

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66. Information to cash flow statement (Continued)

(4) Cash paid to acquire investments

	2024	2023
Cash paid to acquire associates and joint ventures	222,123	1,347,214
Cash paid to apply for fixed deposits	1,988,419	1,151,407
Receivables arising from financing for related parties	44,512	273,025
Cash paid to acquire financial assets held for trading	16,630,058	5,747,824
Cash paid to acquire other non-current financial assets	37,755	302,223
Payments for equity	134,865	225,387
Total	19,057,732	9,047,080

(5) Cash paid relating to other investing activities

	2024	2023
Losses on settlement of derivative financial instruments	1,262,245	1,678,997

(6) Cash paid relating to other financing activities

	2024	2023
Cash paid for minority interests	1,585,615	331,859
Cash paid for minority interests to make up difference amounts	1,413,164	—
Cash paid for lease liabilities	452,331	447,116
Repurchase payments	200,098	—
Others	—	69,358
Total	3,651,208	848,333

In 2024, cash paid for lease related activities was RMB760,721,000 (2023: RMB765,990,000). Except for cash paid for lease liabilities as above, the rest of cash paid out was operating activity related.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

66. Information to cash flow statement (Continued)

(7) Changes in liabilities from financing activities

	Bank borrowings (including the portion to be settled within one year)	Lease liabilities (including liabilities to be settled within one year)	Debentures payable (including debentures to be settled within one year)	Other payables	Other current liabilities (super short-term financing bills)	Other equity instruments	Total
31 December 2023	35,217,196	1,081,876	1,960,454	224,653	2,002,618	2,049,774	42,536,571
Cash inflows from financing activities	37,151,755	-	4,000,000	-	4,500,000	2,000,000	47,651,755
Cash outflows from financing activities	(40,212,573)	(452,331)	(1,501,736)	(957,393)	(6,035,782)	(64,200)	(49,224,015)
Interest in current year	1,911,857	33,830	75,721	-	36,180	107,445	2,165,033
Dividends in current year	-	-	-	1,041,375	-	-	1,041,375
Changes that do not involve cash receipts and payments (Note V.67(1))	-	467,633	-	(97,134)	-	-	370,499
Others	11,048	(550)	8,786	-	-	-	19,284
31 December 2024	34,079,283	1,130,458	4,543,225	211,501	503,016	4,093,019	44,560,502

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67. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities:

	2024	2023
Net profit	4,195,157	1,863,374
Add: Asset impairment losses	416,492	526,314
Credit impairment losses	491,544	144,609
Depreciation of fixed assets	2,842,328	2,669,101
Right-of-use assets depreciation	348,917	303,164
Amortisation of intangible assets	359,605	277,417
Amortisation of long-term prepaid expenses	501,104	335,450
(Gains)/losses on disposals of fixed assets, intangible assets and other long-term assets	(25,707)	21,451
Losses on changes in fair value	669,037	611,385
Financial expenses	1,848,123	1,861,854
Investment losses	493,752	334,453
Share-based payments expenses	171,560	88,685
Increase in deferred tax assets	(184,279)	(468,599)
Amortisation of deferred income	(142,659)	(137,015)
(Decrease)/increase in deferred tax liabilities	(43,561)	393,666
Increase in inventories	(760,256)	(1,088,402)
Increase in operating receivables	(11,788,275)	(8,254,580)
Increase in operating payables	9,870,988	3,220,859
Net cash flows from operating activities	9,263,870	2,703,186

Major investing and financing activities not involving cash receipts and payments

	2024	2023
The new additions of right-of-use assets	467,633	533,499
Payments for share capital increase by other receivables	—	150,000
Others	(97,134)	—
Total	370,499	683,499

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67. Notes to the cash flow statement (Continued)

(1) Supplementary information to the cash flow statement (Continued)

Net change of Cash at bank and on hand:

	2024	2023
Cash at bank and on hand at the end of the year	18,985,161	20,350,816
Less: Cash at bank and on hand at the beginning of the year	20,350,816	15,912,300
Net (decrease)/increase in cash at bank and on hand	(1,365,655)	4,438,516

(2) Information on acquisition of subsidiaries during current year

	2024	2023
I. Information on acquisition of subsidiaries:		
Cash at bank and on hand paid for acquisition	217,752	241,975
Less: Cash at bank and on hand held by subsidiaries on acquisition date	2,252	59,710
Net cash paid to acquire subsidiaries	215,500	182,265
Consideration for acquisition of subsidiaries in 2024	217,752	241,975
Net assets of the acquired subsidiaries on acquisition date		
Current assets	143,764	308,388
Non-current assets	216,239	114,333
Current liabilities	(65,624)	(153,530)
minority interests	13,723	(60,603)

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67. Notes to the cash flow statement (Continued)

(3) Information on disposals of subsidiaries during current year

	2024	2023
I. Information on disposals of subsidiaries:		
Cash at bank and on hand received on disposals of subsidiaries	16,083	2,600
Less: Cash at bank and on hand remained on disposal date of disposed subsidiaries	1,899	124,938
Net cash inflows/(outflows) from disposals of subsidiaries	14,184	(122,338)
Price of disposed subsidiaries in 2024	16,083	2,600
Price of disposed subsidiaries in 2023	—	—
Net assets of disposed subsidiaries on disposal date		
Current assets	117,948	1,132,206
Non-current assets	6,655	1,384,701
Current liabilities	(98,220)	(4,044,498)
Non-current liabilities	(611)	(30,631)

(4) Composition of cash at bank and on hand

	31 December 2024	31 December 2023
I. Cash		
Including: Cash in hand	3,975	6,671
Cash at bank that can be readily drawn on demand	17,644,505	19,180,427
II. Assets purchased by Finance Company under reverse repurchase agreements	1,336,681	1,163,718
III. Cash at bank and on hand at the end of the year	18,985,161	20,350,816

Note: The cash at bank and on hand disclosed above exclude restricted monetary and over three months fixed-term deposits.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Monetary items denominated in foreign currency

	31 December 2024		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Cash at bank and on hand –			
USD	1,443,964	7.2954	10,534,296
HKD	1,972,630	0.9396	1,853,444
EUR	104,207	7.5956	791,511
GBP	37,505	9.1616	343,606
THB	1,412,664	0.2134	301,406
AUD	38,727	4.5443	175,989
JPY	300,450	0.0466	14,010
Others			299,200
Total			14,313,462
Accounts receivable –			
USD	2,459,725	7.2954	17,944,677
EUR	77,502	7.5956	588,675
GBP	37,408	9.1616	342,713
HKD	201,393	0.9396	189,225
AUD	28,753	4.5443	130,662
THB	389,070	0.2134	83,012
JPY	293,910	0.0466	13,705
Others			350,707
Total			19,643,376
Other receivables –			
EUR	66,152	7.5956	502,464
HKD	356,156	0.9396	334,637
USD	14,174	7.2954	103,405
AUD	20,787	4.5443	94,461
GBP	7,269	9.1616	66,593
THB	25,375	0.2134	5,414
Others			438,994
Total			1,545,968

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68. Monetary items denominated in foreign currency (Continued)

	31 December 2024		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Long-term receivables –			
EUR	422	7.5956	3,203
Others			4,716
Total			7,919
Short-term borrowings –			
HKD	5,808,981	0.9396	5,458,002
USD	125,947	7.2954	918,831
EUR	18,053	7.5956	137,126
Total			6,513,959
Accounts payables –			
USD	505,665	7.2954	3,689,030
EUR	82,456	7.5956	626,304
GBP	37,229	9.1616	341,080
HKD	131,469	0.9396	123,526
AUD	9,389	4.5443	42,667
THB	148,392	0.2134	31,661
JPY	12,781	0.0466	596
Others			259,324
Total			5,114,188
Other payables –			
USD	67,563	7.2954	492,897
HKD	300,084	0.9396	281,953
EUR	15,067	7.5956	114,443
AUD	20,912	4.5443	95,029
GBP	9,146	9.1616	83,795
THB	37,411	0.2134	7,982
JPY	13,489	0.0466	629
Others			422,695
Total			1,499,423

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Monetary items denominated in foreign currency (Continued)

	31 December 2024		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Long-term borrowings –			
EUR	80,000	7.5956	607,648
HKD	550,072	0.9396	516,837
USD	3,255	7.2954	23,743
Others			39,922
Total			1,188,150
Long-term payables –			
USD	14,064	7.2954	102,602
AUD	653	4.5443	2,969
Total			105,571
Lease liabilities –			
EUR	8,021	7.5956	60,922
USD	7,508	7.2954	54,777
AUD	9,541	4.5443	43,355
GBP	3,719	9.1616	34,068
HKD	5,412	0.9396	5,085
THB	12,673	0.2134	2,704
Others			55,585
Total			256,496

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Monetary items denominated in foreign currency (Continued)

	31 December 2023		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Cash at bank and on hand –			
USD	872,829	7.0936	6,191,501
EUR	151,639	7.8597	1,191,837
HKD	906,586	0.9077	822,908
GBP	39,424	9.0355	356,217
THB	989,426	0.2073	205,108
AUD	25,814	4.8534	125,285
JPY	1,588,743	0.0501	79,596
Others			168,392
Total			9,140,844
Accounts receivable –			
USD	1,140,179	7.0936	8,087,976
EUR	66,501	7.8597	522,676
JPY	623,293	0.0501	31,227
GBP	28,333	9.0355	256,003
HKD	116,748	0.9077	105,972
AUD	7,399	4.8534	35,911
THB	137,337	0.2073	28,470
Others			299,709
Total			9,367,944
Other receivables –			
HKD	3,946,653	0.9077	3,582,377
USD	300,372	7.0936	2,130,721
EUR	57,100	7.8597	448,792
GBP	14,738	9.0355	133,166
THB	219,431	0.2073	45,488
AUD	4,763	4.8534	23,117
Others			47,281
Total			6,410,942

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Monetary items denominated in foreign currency (Continued)

	31 December 2023		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Long-term receivables –			
EUR	393	7.8597	3,087
Others			569
Total			3,656
Short-term borrowings –			
USD	757,620	7.0936	5,374,252
HKD	1,696,416	0.9077	1,539,837
EUR	20,938	7.8597	164,563
GBP	2,250	9.0355	20,330
Total			7,098,982
Accounts payables –			
USD	430,666	7.0936	3,054,969
EUR	55,167	7.8597	433,596
GBP	31,302	9.0355	282,827
AUD	7,393	4.8534	35,881
THB	73,309	0.2073	15,197
HKD	14,510	0.9077	13,171
Others			67,920
Total			3,903,561
Other payables –			
USD	330,473	7.0936	2,344,242
HKD	202,119	0.9077	183,463
AUD	7,463	4.8534	36,219
THB	28,910	0.2073	5,993
GBP	16,892	9.0355	152,631
EUR	26,700	7.8597	209,856
JPY	4,531	0.0501	227
Others			21,599
Total			2,954,230

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Monetary items denominated in foreign currency (Continued)

	31 December 2023		
	Functional currency (‘000)	Exchange rate	In RMB (‘000)
Long-term borrowings –			
USD	1,281,848	7.0936	9,092,916
Others			32,632
Total			9,125,548
Long-term payables –			
AUD	821	4.8534	3,984
Total			3,984
Lease liabilities –			
EUR	11,370	7.8597	89,361
USD	10,110	7.0936	71,718
GBP	7,496	9.0355	67,730
AUD	9,807	4.8534	47,595
HKD	8,263	0.9077	7,500
THB	35,104	0.2073	7,277
Others			66,859
Total			358,040

The above-mentioned monetary items denominated in foreign currency refer to all currencies except RMB (The scope is different from the foreign currency items in Note VIII.4).

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VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

Acquiree	Timing of acquisition	Acquisition cost	% of interest acquired	Method of acquisition	Acquisition date	Basis for determining the acquisition date	Income of the acquiree during the period from the acquisition date to the end of the year	Net profit of the acquiree during the period from the acquisition date to the end of the year	Cash flows from operating activities of the acquiree during the period from the acquisition date to the end of the year	Net cash flows of the acquiree during the period from the acquisition date to the end of the year
BANGKOK COIL CENTER CO., LTD.	18 September 2024	69,687	77.40%	Purchase	18 September 2024	Acquisition of control	46,779	(6,122)	13,106	4,781
Hubei CIMC Superfiber Technology Co., Ltd.	30 April 2024	145,000	100.00%	Purchase	30 April 2024	Acquisition of control	220,659	10,131	125,594	295,755

(1) BANGKOK COIL CENTER CO., LTD.

In July 2024, CIMC Tongchuang Xiangjiang (Hong Kong) Trade Co., Ltd. ("**Tongchuang Xiangjiang**"), a wholly-owned subsidiary of Shenzhen CIMC Tongchuang supply chain Co., Ltd. ("**Shenzhen Tongchuang**"), a subsidiary of the Group, signed the Equity Sale Agreement with the shareholders of BANGKOK COIL CENTER CO., LTD. ("**Bangkok Coil**"), the agreement agreed that the original shareholder would sell 90% of its equity in Bangkok Coil to Tongchuang Xiangjiang at 330,300,000 Baht (equivalent to RMB69,687,000), and complete the equity delivery procedures on 18 September 2024. The Group holds 86% of the equity of Shenzhen Tongchuang. After the completion of this acquisition, the Group ultimately indirectly holds 77.4% of the equity of Bangkok Coil.

(2) Hubei CIMC Superfiber Technology Co., Ltd.

On 30 April 2024, CIMC Technology, a subsidiary of the Group, acquired 100% of the equity of Hubei CIMC Superfiber Technology Co., Ltd. at a price of RMB145,000,000.

(3) In 2024, enterprises acquired by the Group through acquisition involving enterprises not under common control include Shanghai CIMC Tongchuang Iron and Steel Processing Co., LTD.

2. Disposals of subsidiaries

There is no disposal of major subsidiaries this year.

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VII. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group were established or acquired through business combinations involving enterprises not under common control. There was no acquisition of subsidiaries through business combinations involving enterprises under common control.

As at 31 December 2024, the number of companies included in the scope of consolidation added up to 652. Except for the important subsidiaries listed below, the number of other subsidiaries held by the Group was 604. 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.

(1) Major subsidiaries obtained through establishment or investment

(i) Domestic subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. ("SCIMC")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacture, repair and sales of container, container stockpiling business	RMB260,580,000	-	100.00%
2	CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, production and sales of various special series of vehicles and trailer	RMB2,017,600,000	38.87%	22.26%
3	Yantai CIMC Raffles Marine Technology Group Co., Ltd. ("CIMC Raffles Group")	Business entity	Yantai, Shandong	Yantai, Shandong	Development of key supporting system of offshore engineering, manufacture of offshore engineering equipment, manufacture of offshore engineering platform equipment and sales of deep-sea oil-drilling equipment	RMB5,000,000,000	-	83.30%
4	Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacture and sales of various containers, semi-finished container products and relevant components products; leasing and maintenance of these products	RMB425,490,000	-	100.00%
5	Nantong CIMC Special Logistics Equipment Development Co., Ltd. ("NTSL")	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, sales and repair of various trough, tank as well as various special storing and transporting equipment and parts	USD11,760,000	-	75.35%

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VII. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Major subsidiaries obtained through establishment or investment (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
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	–	63.63%
7	Qingdao CIMC Special Reefer Co., Ltd. ("QDCSR")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture of refrigerated container	RMB250,410,000	–	100.00%
8	Taicang CIMC Special Logistics Equipment Co., Ltd. ("TCSLE")	Business entity	Suzhou, Jiangsu	Suzhou, Jiangsu	Manufacture of container	USD40,000,000	–	100.00%
9	CIMC Container (Group) Co., Ltd. ("CIMC Container (Group)") (Former name: CIMC Container Shareholding Co., Ltd.)	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Industrial and project investments	RMB5,292,830,000	100.00%	–
10	CIMC Technology Co., Ltd. ("CIMC Technology")	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Management of industrial and equity investments	RMB1,130,300,000	100.00%	–
11	CIMC Cold Chain Development Co., Ltd. ("CIMC Cold Chain")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Investment	RMB3,624,700,000	–	100.00%
12	Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd. ("TianDa Logistics")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Planning, advisory and development of logistics automated system engineering	RMB60,000,000	–	63.63%
13	CIMC Safeway Technologies Co., Ltd. ("CIMC Safe Tech")	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Design, development, production and sales of storing and transporting equipment and parts including petrochemical product and other media, repair, maintenance, refurbishment, sales and services of relevant equipment	RMB510,000,000	–	53.50%
14	CIMC Wetrans Logistics Technology (Group) Co., Ltd. ("CIMC Wetrans Logistics")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB1,741,110,000	62.70%	–

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VII. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Major subsidiaries obtained through establishment or investment (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
15	Ningbo CIMC Logistics Equipment Co., Ltd. ("Ningbo Logistics Equipment")	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Manufacturing, sales of containers and related technical consultation; Container storage business	USD36,000,000	-	100.00%
16	Taicang CIMC Container Manufacturing Co., Ltd. ("Taicang CIMC")	Business entity	Taicang, Jiangsu	Taicang, Jiangsu	Manufacturing and repairing containers	USD31,000,000	-	100.00%
17	CIMC Shenfa Construction Industry Co., Ltd. ("CIMC Shenfa")	Business entity	Shanghai	Shanghai	Infrastructure investment, construction and operation, real estate development and operation	RMB204,120,000	100.00%	-
18	Dongguan Nanfang CIMC Logistics Equipment Manufacturing Co., Ltd. ("Dongguan CIMC")	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Manufacturing and sales of various containers and container semi-finished products	RMB600,000,000	-	100.00%
19	Shanghai CIMC Yangshan Logistics Equipment Co., Ltd. ("Yangshan Logistics")	Business entity	Shanghai	Shanghai	Manufacturing, sales of containers and related technical consultation	USD29,480,000	-	100.00%
20	Tianjin CIMC Container Co., Ltd. ("Tianjin CIMC")	Business entity	Tianjin	Tianjin	Manufacturing containers	USD50,000,000	-	100.00%
21	Xinhui CIMC Container Co., Ltd. ("Xinhui CIMC")	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacturing, repairing and selling containers	USD24,000,000	-	90.00%
22	CIMC REEFER TRAILER, INC. ("CRTI")	Business entity	USA	USA	Road transport vehicle manufacturing and service	USD10	-	61.13%
23	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%	-
24	CIMC Refrigerated Trailer Co., Ltd. ("CRTC")	Business entity	USA	USA	Road transport vehicle manufacturing and service	CAD1,000	-	61.13%
25	Vanguard Global Trailer Holding, Inc.	Business entity	USA	USA	Investment holding	USD10	-	61.13%

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VII. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(1) Major subsidiaries obtained through establishment or investment (Continued)

(ii) Overseas subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
26	CIMC Vehicle Investment Holdings Co., Ltd. ("CIMC Vehicle (BVI)")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	USD50,000	-	61.13%
27	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transportation equipment	GBP100	-	61.13%
28	Dee Siam Manufacturing Co., Ltd. ("Thailand DS Factory")	Business entity	Thailand	Thailand	Manufacture and services of road transportation vehicles	THB1,221,220,000	-	61.13%
29	CIMC Offshore Holdings Limited ("Offshore Holdings")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	HKD2,234,860,000 and USD50,510,000	-	100.00%
30	CIMC HOLDINGS (B.V.I.) LIMITED ("CIMC BVI")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	100.00%
31	Vanguard National Trailer Corporation ("Vanguard")	Business entity	USA	USA	Sales of vehicles	USD10	-	61.13%
32	CIMC-TianDa Holdings Company Limited ("TianDa Holding HK")	Business entity	UK	UK	Fire equipment business	HKD166,380,000	-	63.63%
33	Sound Winner Holdings Limited ("Sound Winner Holdings")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	69.94%
34	Win Score Investments Limited ("Win Score Investments")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	HKD10,000	-	69.94%

(2) The Group does not have subsidiaries obtained through business combinations involving enterprises under common control

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VII. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through business combinations involving enterprises not under common control

(i) Domestic subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Registered capital	Shareholding percentage	
							Direct	Indirect
1	Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture and sales of reefer container and special container; providing relevant technical advisory and maintenance service	RMB358,160,000	–	75.00%
2	Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture and repair of container, processing and manufacture relevant mechanical parts, structural parts and equipment	USD27,840,000	–	100.00%
3	Yantai CIMC Raffles Offshore Ltd. ("CIMC Raffles")	Business entity	Yantai, Shandong	Yantai, Shandong	Construction of dock; design and production of ship; production and sales of pressure equipment and offshore oil platform	RMB7,512,070,000	–	83.30%
4	Haiyang CIMC Raffles Offshore Engineering Co. Ltd. ("Haiyang Raffles")	Business entity	Yantai, Shandong	Yantai, Shandong	Design, manufacturing, sales and repair of offshore engineering equipment and offshore oil drilling equipment	RMB560,000,000	–	83.30%
5	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	RMB566,020,000	–	61.13%
6	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. ("Hongtu Special Aircraft")	Business entity	Jingmen, Hubei	Jingmen, Hubei	Production and sales of refitting vehicles for civilian use, packaging and containers for hazardous chemicals	RMB300,000,000	–	62.95%
7	Shijiazhuang Enric Gas Equipment Co., Ltd. ("Shijiazhuang Gas Equipment")	Business entity	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Manufacture and sales of pressure equipment	USD32,000,000	–	69.94%
8	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Zhangjiagang Sanctum Cryogenic Equipment Machinery")	Business entity	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales of LNG vehicles, LNG vehicle-mounted tanks and cryogenic equipment	RMB795,530,000	–	69.94%

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VII. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(3) Major subsidiaries acquired through business combinations involving enterprises not under common control (Continued)

(ii) Overseas subsidiaries

							Shareholding percentage	
	Name	Category	Registration place	Main premises	Business scope	Registered capital		Indirect
9	CIMC Intermodal Equipment, LLC ("CIE") (Former name: Direct Chassis, LLC)	Business entity	USA	USA	Road transportation vehicle manufacturing and services	USD10,000,000	–	61.13%
10	CIMC RAFFLES OFFSHORE (SINGAPORE) PTE. LTD. ("Offshore (Singapore)")	Business entity	Singapore	Singapore	Production of various ships for offshore oil and gas, including jack-up drilling platforms and semi-submersible drilling platforms	SGD594,420,000 and USD453,930,000	–	100.00%
11	CIMC Enric Holdings Limited ("Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	–	69.94%
12	CIMC Liquid Process Technologies Co., Ltd. ("CLPT") (Former name: Ziemann Holvrieka Asia Co., Ltd.)	Business entity	Thailand	Thailand	Production, sales, design of liquid food equipment	USD737,160,000	–	61.69%
13	Ziemann Holvrieka GmbH	Business entity	Germany	Germany	Production, sales, design of liquid food equipment	EUR16,000,000	–	61.67%

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VII. EQUITY IN OTHER ENTITIES (Continued)

1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests

	Shareholding of minority interests	Loss or profit attributable to minority interests in 2024	Dividends distributed to minority interests in 2024 (i)	Grand total minority interests as at 31 December 2024
Enric	30.06%	378,082	85,916	5,062,586
CIMC Vehicles	38.87%	417,693	247,122	6,148,983

	Shareholding of minority interests	Loss or profit attributable to minority interests in 2023	Dividends distributed to minority interests in 2023 (i)	Grand total minority interests as at 31 December 2023
Enric	32.40%	410,627	115,150	4,781,765
CIMC Vehicles	43.22%	663,570	286,866	7,038,624

(i) The dividends declared to be distributed to minority interests in 2024, the remaining unpaid amount of CIMC Vehicles is RMB33,135,000, and the remaining unpaid amount of Enric is RMB23,036,000.

Core financial information of aforementioned significant but not wholly-owned subsidiaries is as follows:

31 December 2024						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Enric	22,377,643	7,004,022	29,381,665	13,198,518	3,078,109	16,276,627
CIMC Vehicles	15,398,310	7,287,577	22,685,887	7,314,738	430,934	7,745,672

31 December 2023						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Enric	21,115,294	6,472,130	27,587,424	14,017,261	1,196,519	15,213,780
CIMC Vehicles	16,521,521	7,316,307	23,837,828	7,740,454	650,281	8,390,735

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1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests (Continued)

31 December 2024				
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Enric	24,755,737	1,143,835	1,017,889	2,363,017
CIMC Vehicles	20,998,201	1,081,179	1,123,422	2,191,568

31 December 2023				
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Enric	23,626,279	1,163,561	1,164,305	1,785,416
CIMC Vehicles	25,086,577	2,447,761	2,697,413	1,790,204

(5) Significant transactions with minority interests in current year

- (i) The CIMC Vehicles, a subsidiary of the Group, repurchased H Shares from the Stock Exchange of Exchange Limited and delisted them, and cancelled 143,475,580 H Shares on 7 June 2024, resulting in an increase in the shareholding ratio of the controlling shareholder from 56.78% to 61.13%. This repurchase and cancellation led to a decrease of RMB997,054,000 in minority shareholders' equity and RMB27,084,000 in capital reserve.
- (ii) During the period from September 27, 2024 to December 31, 2024, the Group's subsidiary, CIMC Hong Kong, cumulatively purchased 47,524,000 shares of Enric in the public market, resulting in the Group's shareholding ratio of Enric increasing from 67.60% to 69.94%, the cumulative decrease of minority shareholders' equity by RMB264,176,000 and the decrease of capital reserve by RMB38,789,000.
- (iii) CIMC Technology, a subsidiary of the Group, received 25% of the equity of Yangzhou Tongli Refrigerated Container Co., Ltd. ("Yangzhou Tongli") from Yangzhou Convergence Equity Investment Partnership, and the consideration for equity transfer was RMB210,900,000. After the equity transfer, CIMC Technology's shareholding in Yangzhou Tongli increased from 49.61% to 74.61%, resulting in a decrease of RMB163,685,000 in minority shareholders' equity and RMB47,215,000 in capital reserve of the Group.

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VII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures and associates

(1) Basic information of major joint ventures and associates

The Group identifies major joint ventures and associates by taking into account factors such as the proportion of their carrying amounts to the Group's consolidated total assets and the proportion of income from long-term equity investments under equity method to the Group's consolidated net profit, which are set out below:

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage – Direct	Shareholding percentage – Indirect
Associates –						
CIMC Industry & City	Shenzhen, Guangdong	Shenzhen, Guangdong	Real estate	Yes	–	34.44% – 62.14%
CIMC CAPITAL Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Financing lease	No	–	46.68%
C&C Trucks	Wuhu, Anhui	Wuhu, Anhui	Research and development and manufacture of automobiles	No	35.42%	–

The equity mentioned above is measured by equity method.

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VII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures and associates (Continued)

(2) Core financial information of major associates

	CIMC Industry & City	
	31 December 2024	31 December 2023
Cash at bank and on hand	1,634,527	1,299,166
Other current assets	26,843,330	28,139,875
Total current assets	28,477,857	29,439,041
Total non-current assets	19,168,279	17,470,741
Total assets	47,646,136	46,909,782
Current liabilities	19,505,972	16,096,749
Non-current liabilities	17,234,625	19,978,595
Total liabilities	36,740,597	36,075,344

	CIMC Industry & City	
	31 December 2024	31 December 2023
Minority interests	1,612,448	1,672,450
Equity attributable to shareholders of the Company	9,293,091	9,161,988
Adjustments according to fair value of identifiable net assets and goodwill	12,923,860	12,923,860
Equity attributable to shareholders of the Company (adjusted)	22,216,951	22,085,848
Shareholding ratio	34.44% – 62.14%	34.44% – 62.14%
Net assets proportion calculated by shareholding ratio (i)	7,884,569	7,792,740
Adjustments		
– Goodwill	–	–
– Others (ii)	(1,356,425)	(1,204,875)
Carrying amount of equity investment in the associates	6,528,144	6,587,865

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VII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures and associates (Continued)

(2) Core financial information of major associates (Continued)

	CIMC Industry & City	
	2024	2023
Revenue	4,183,250	3,252,154
Net profit	92,726	228,387
Other comprehensive income	38,376	7,102
Total comprehensive income	131,102	235,489
Dividends received from the associates in current year	–	90,500

	Shenzhen Leasing	
	31 December 2024	31 December 2023
Cash at bank and on hand	1,571,509	2,277,162
Other current assets	9,270,975	8,929,920
Total current assets	10,842,484	11,207,082
Total non-current assets	19,436,501	19,498,274
Total assets	30,278,985	30,705,356
Current liabilities	13,460,662	13,945,245
Non-current liabilities	11,426,634	11,496,445
Total liabilities	24,887,296	25,441,690

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2. Equity in joint ventures and associates (Continued)

(2) Core financial information of major associates (Continued)

	Shenzhen Leasing	
	31 December 2024	31 December 2023
Minority interests	508,779	637,844
Equity attributable to shareholders of the Company	4,882,910	4,626,281
Adjustments according to fair value of identifiable net assets and goodwill	—	—
Equity attributable to shareholders of the Company (adjusted)	4,882,910	4,626,281
Shareholding ratio	46.68%	45.43%
Net assets proportion calculated by shareholding ratio (i)	2,279,342	2,101,719
Carrying amount of equity investment in the associates	2,318,039	2,101,839

	Shenzhen Leasing	
	2024	2023
Revenue	2,398,139	2,108,228
Net profit	379,001	430,046
Other comprehensive income	91,464	61,596
Total comprehensive income	470,465	491,642
Dividends received from the associates in current year	65,650	53,417

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VII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures and associates (Continued)

(2) Core financial information of major associates (Continued)

	C&C Trucks	
	31 December 2024	31 December 2023
Cash at bank and on hand	53,782	43,172
Other current assets	1,129,024	1,250,142
Total current assets	1,182,806	1,293,314
Total non-current assets	2,567,750	2,633,902
Total assets	3,750,556	3,927,216
Current liabilities	1,896,495	1,454,061
Non-current liabilities	43,907	354,483
Total liabilities	1,940,402	1,808,544

	C&C Trucks	
	31 December 2024	From March to December 2023
Minority interests	—	—
Equity attributable to shareholders of the Company	1,810,154	2,118,672
Adjustments according to fair value of identifiable net assets and goodwill	—	—
Equity attributable to shareholders of the Company (adjusted)	1,810,154	2,118,672
Shareholding ratio	35.42%	35.42%
Net assets proportion calculated by shareholding ratio (i)	641,157	750,434
Carrying amount of equity investment in the associates	641,066	750,363

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VII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures and associates (Continued)

(2) Core financial information of major associates (Continued)

	C&C Trucks	
	2024	From March to December 2023
Revenue	1,569,379	1,383,545
Net profit	(308,602)	(281,328)
Other comprehensive income	—	—
Total comprehensive income	(308,602)	(281,328)
Dividends received from the associates in current year	—	—

- (i) The Group calculated the portion of net 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. The assets involved in the transactions between the Group and its associates do not constitute business.
- (ii) Other adjustments are mainly the amount of the value-added part of the Group's equity in CIMC Industry & City, which corresponds to the fair value on the date of loss of control, and the corresponding carry-over amount after the corresponding value-added items are sold or used externally.

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VII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures and associates (Continued)

(3) Summary of information of insignificant joint ventures and associates

	2024	2023
Joint ventures:		
Total carrying amount of investments on 31 December 2024	605,067	790,101
Sub-total amount of the following items calculated based on the Group's equity proportion in joint ventures		
Net profit (i)	(73,654)	(45,598)
Other comprehensive income (i)	—	(42)
Total comprehensive income	(73,654)	(45,640)
Associates:		
Total carrying amount of investments on 31 December 2024	2,135,833	1,990,384
Sub-total amount of the following items calculated based on the Group's equity proportion in associates		
Net profit (i)	65,254	128,612
Other comprehensive income (i)	3,365	(2,824)
Total comprehensive income	68,619	125,788

(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.

(4) Excess deficit of joint ventures and associates

There was no excess deficit of joint ventures or associates in 2024.

3. Equity in structured entities not included in the scope of consolidated financial statements

There is no significant equity in structured entities not included in the scope of consolidated financial statements in this year.

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VIII. FINANCIAL INSTRUMENTS AND RISKS

The Group's activities expose it to a variety of financial instruments risks: mainly including credit risk, liquidity risk, interest rate risk, foreign exchange risk and other price risk. The above financial risks and the Group's risk management policies to mitigate the risks are as follows:

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These risk management policies put forward clear provisions for the risks such as market risk, credit risk and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems. The Group's risk management is carried out by the Risk Management Committee under policies approved by the Board of Directors. The Risk Management Committee closely cooperates with other departments of the Group to identify, evaluate, and avoid relevant risks. The internal audit department of the Group conducts periodical audit to the controls and procedures for risk management and reports the audit results to the Audit Committee of the Group.

1. Credit risk

Credit risk refers to the risk that one party of a financial instruments fails to perform its obligations and causes financial losses to the other party. The Group's credit risk mainly arises from cash at bank and on hand, notes receivables, accounts receivable, receivables financing, other receivables, contract assets, debt investments, other debt investments, and financial guarantee contracts, etc., and investments in debt instrument and derivative financial assets at fair value through profit or loss that are not included in the impairment assessment scope. Except for the financial guarantees provided by the Group as stated in Note XIII.2(1), the Group has not provided any other guarantees that may expose the Group to credit risk. The maximum credit risk exposures in relation to the above financial guarantee obligations as at the balance sheet date are disclosed in Note XIII.2(1).

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other large or medium size listed banks with good reputation and high credit rating. The Group does not expect that there will be almost no significant losses from non-performance by these banks.

The Group has policies to limit the credit exposure on notes receivables, accounts receivable, contract assets, receivables financing and other receivables. The Group assesses the credit quality of and sets credit limits on its customers by considering their financial position, the availability of guarantee from third parties, their credit history, and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 31 December 2024, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2023: Nil).

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VIII. FINANCIAL INSTRUMENTS AND RISKS (Continued)

2. Liquidity risk

Liquidity risk refers to the risk of capital shortage when an enterprise performs its obligations of settlement by delivering cash or other financial assets. Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs; continuously monitors whether the covenant terms in borrowing agreements are compiled; and maintains sufficient headroom on the Group's committed undrawn banking facilities from major financial institutions to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the undiscounted contractual cash flows of the Group's financial liabilities, analysed by their maturity dates, are as below:

	31 December 2024					Carrying amount at balance sheet
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Short-term borrowings	11,733,666	–	–	–	11,733,666	11,260,716
Derivative financial liabilities	344,767	–	–	–	344,767	344,767
Notes payables	6,100,596	–	–	–	6,100,596	6,100,596
Accounts payables	26,886,299	–	–	–	26,886,299	26,886,299
Debentures payable	109,317	103,900	4,228,263	–	4,441,480	4,035,642
Other payables	2,582,027	–	–	–	2,582,027	2,582,027
Current portion of non-current liabilities	4,462,443	–	–	–	4,462,443	4,296,588
Other current liabilities	509,854	–	–	–	509,854	505,427
Long-term borrowings	934,396	7,831,324	12,462,105	384,478	21,612,303	19,377,598
Lease liabilities	–	246,924	410,037	406,508	1,063,469	869,384
Long-term payables	–	272,671	–	–	272,671	272,671
Other non-current liabilities	–	29,862	–	–	29,862	29,862
Total	53,663,365	8,484,681	17,100,405	790,986	80,039,437	76,561,577

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VIII. FINANCIAL INSTRUMENTS AND RISKS (Continued)

2. Liquidity risk (Continued)

	31 December 2023					
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount at balance sheet
Short-term borrowings	12,921,697	–	–	–	12,921,697	12,400,861
Derivative financial liabilities	1,696,118	–	–	–	1,696,118	1,696,118
Notes payables	4,681,963	–	–	–	4,681,963	4,681,963
Accounts payables	20,181,009	–	–	–	20,181,009	20,181,009
Debentures payable	13,000	505,417	1,582,142	–	2,100,559	1,960,454
Other payables	3,511,033	–	–	–	3,511,033	3,511,033
Non-current liabilities due within one year	10,123,536	–	–	–	10,123,536	9,675,619
Other current liabilities	2,426,929	–	–	–	2,426,929	2,415,381
Long-term borrowings	651,831	5,732,739	8,229,747	472,192	15,086,509	13,523,455
Lease liabilities	–	213,058	338,184	452,598	1,003,840	820,638
Long-term payables	–	188,987	–	–	188,987	188,987
Other non-current liabilities	–	54,954	–	–	54,954	54,954
Total	56,207,116	6,695,155	10,150,073	924,790	73,977,134	71,110,472

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VIII. FINANCIAL INSTRUMENTS AND RISKS (Continued)

2. Liquidity risk (Continued)

- (i) As at the balance sheet date, the Group's financial guarantees provided to external parties were analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

31 December 2024				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
555,862	48,156	603,319	4,822	1,212,159

31 December 2023				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,650,634	462,458	82,888	62,014	2,257,994

- (ii) As at the balance sheet date, there were no cash flows of lease contracts that the Group had signed but not yet executed.
- (iii) Bank and other borrowings are analysed by repayment terms as follows:

	31 December 2024		31 December 2023	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	14,701,685	1,010,599	22,076,480	2,002,618
1 to 2 years	7,404,451	103,900	5,434,477	507,583
2 to 5 years	11,600,147	3,931,742	7,630,882	1,452,871
Over 5 years	373,000	—	458,096	—
Total	34,079,283	5,046,241	35,599,935	3,963,072

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VIII. FINANCIAL INSTRUMENTS AND RISKS (Continued)

3. Interest rate risk

The Group's interest rate risk arises from long-term interest-bearing debts including long-term bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. The Group continuously monitors its interest rate position. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. The Group adjusts timely with reference to the latest market conditions and may enter into interest rate derivative agreements to mitigate its exposure to interest rate risk. As at 31 December 2024, the Group's long-term interest bearing borrowings were mainly HKD-denominated with floating rates, amounting to HKD5,500,000,000 (31 December 2023: USD1,885,580,000).

As at 31 December 2024, if the interest rates on floating rate borrowings had risen/fallen by 50 basis points while all other variables held constant, the Group's net profit would be approximately RMB73,741,000 lower/higher.

4. Foreign exchange risk

The Group's major operational activities are carried out in the Chinese Mainland and most of the transactions are settled in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities denominated in foreign currencies (mainly USD and HKD), and future businesses settled in foreign currencies (mainly USD and HKD). The Group continuously monitors the amount of assets and liabilities denominated in foreign currencies, and volume of transactions settled in foreign currencies to minimise the foreign exchange risk. As at 31 December 2024, the Group's USD-denominated foreign currency borrowings amounted to USD129,202,000, equivalent to RMB942,572,000; the Group's USD-denominated foreign currency accounts receivable amounted to USD2,459,725,000, equivalent to RMB17,944,677,000. Therefore, the Group considers entering forward exchange contracts with nominal amounts of USD409,211,000 and foreign exchange option contracts with nominal amounts of USD3,357,300,000 to mitigate the foreign exchange risk.

As at 31 December 2024 and 2023, the Group's foreign exchange risk exposure with respect to assets or liabilities denominated in foreign currencies is presented below. The items listed below related to foreign exchange risk exposure mainly represent the assets or liabilities denominated in foreign currencies held by the subsidiaries of the Company whose recording currency is RMB. For presentation purposes, amounts of exposures are presented in RMB and translated at spot exchange rates at the balance sheet date.

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VIII. FINANCIAL INSTRUMENTS AND RISKS (Continued)

4. Foreign exchange risk (Continued)

	31 December 2024				31 December 2023			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	4,486,876	156,533	25,444	14,010	2,413,720	237,068	11,120	79,596
Accounts receivable	16,136,674	81,527	105,262	13,705	5,098,426	210,041	52,638	31,227
Contract assets	43,945	84,805	16,967	-	32,916	21,608	35,956	-
Short-term borrowings	(125,947)	(164,630)	-	-	(485,266)	(143,735)	-	-
Lease liabilities	(282)	(11,439)	(806)	-	-	-	(816)	-
Long-term borrowings	(3,255)	-	-	-	(49)	-	(370)	-
Accounts payables	(2,925,741)	(210,900)	(35,596)	(596)	(1,447,411)	(89,412)	(8,423)	(38)
Non-current liabilities due within one year	-	-	(271)	-	(127,685)	-	(181,712)	-
Derivative financial assets	6,389	4,247	-	-	214,210	4,413	897	1,071
Derivative financial liabilities	(166,123)	(176,972)	(758)	-	(245,701)	(13,370)	(93)	-
Total	17,452,536	(236,829)	110,242	27,119	5,453,160	226,613	(90,803)	111,856

As at 31 December 2024, for the financial assets, contract assets, financial liabilities and lease liabilities denominated in USD held by the subsidiaries whose recording currencies are RMB, if the RMB had strengthened/weakened by 4% against the USD with all other variables held constant, the Group's net profit for the year would be approximately RMB523,576,000 lower/higher.

As at 31 December 2024, and 31 December 2023, the financial assets, contract assets, financial liabilities and lease liabilities denominated in foreign currencies, which are mainly RMB items held by the subsidiaries of the Group, whose recording currencies are USD, were expressed in RMB as follows:

	31 December 2024 RMB	31 December 2023 RMB
Cash at bank and on hand	1,475,304	588,343
Accounts receivable	76	1,021,231
Short-term borrowings	(2,077,695)	(2,925,894)
Accounts payables	(3,447)	(1,465,334)
Non-current liabilities due within one year	(941,744)	(16,071)
Derivative financial assets	506	80,764
Derivative financial liabilities	-	(10,985)
Total	(1,547,000)	(2,727,946)

As at 31 December 2024, for financial assets, contract assets, financial liabilities and lease liabilities denominated in RMB held by the subsidiaries whose recording currencies are USD, if the USD had strengthened/weakened by 4% against the RMB with all other variables held constant, the Group's net profit for the year would be approximately USD6,362,000, equivalent to RMB46,410,000 higher/lower (31 December 2023: approximately USD11,906,000 higher/lower, equivalent to RMB83,932,000).

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VIII. FINANCIAL INSTRUMENTS AND RISKS (Continued)

5. Other price risks

The Group's other price risk arises mainly from various investments in equity instruments. As at 31 December 2024, the Group's financial assets held for trading amounted to RMB1,346,116,000, mainly representing investments in monetary funds and equities; the Group's other equity investments amounted to RMB1,947,831,000, mainly representing 49,979,175 listed tradable shares of Jade Bird Fire, 209,586,211 listed tradable shares of Shoucheng Holdings, 40,000,000 listed tradable shares of China Railway Special Cargo and 10,335,757 listed tradable shares of CSG Holding.

As at 31 December 2024, if the expected price of investments in equity instruments had risen/fallen by 5% (2023: 5%) with all other variables held constant, the Group's net profit would be approximately RMB50,479,000 (31 December 2023: RMB12,666,000) higher/lower.

IX. FAIR VALUE ESTIMATES

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on 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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IX. FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities 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 2024:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	V.2				
Investments in equity instruments held for trading		1,346,116	–	–	1,346,116
Contingent consideration		–	–	13,004	13,004
Derivative financial assets –	V.3				
Forward foreign exchange contracts		–	3,605	–	3,605
Foreign exchange option contracts		–	7,512	–	7,512
Exchange rate/interest rate swap contracts		–	25	–	25
Receivables financing –	V.6				
Bank acceptance notes		–	–	1,146,071	1,146,071
Other equity investments –	V.12				
Unlisted company stock		–	–	754,933	754,933
Listed company stock		1,192,898	–	–	1,192,898
Other non-current financial assets –	V.13				
Equity investments		–	–	416,495	416,495
Total financial assets		2,539,014	11,142	2,330,503	4,880,659
Non-financial assets					
Investment properties	V.15	–	–	1,351,285	1,351,285
Total		2,539,014	11,142	3,681,788	6,231,944
Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities held for trading		–	–	(81,742)	(81,742)
Derivative financial liabilities–	V.3				
Forward foreign exchange contracts		–	(80,392)	–	(80,392)
Foreign exchange option contracts		–	(253,960)	–	(253,960)
Exchange rate/interest rate swap contracts		–	(10,415)	–	(10,415)
Other non-current liabilities –	V.41				
Interest rate swap contracts		–	(461)	–	(461)
Total financial liabilities		–	(345,228)	(81,742)	(426,970)

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IX FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets that are measured at fair value in the above three levels as at 31 December 2023:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	V.2				
Investments in equity instruments held for trading		320,052	–	–	320,052
Contingent consideration		–	–	17,704	17,704
Derivative financial assets –	V.3				
Forward foreign exchange contracts		–	267,183	–	267,183
Foreign exchange option contracts		–	16,916	–	16,916
Exchange rate/interest rate swap contracts		–	17,256	–	17,256
Receivables financing –	V.6				
Bank acceptance notes		–	–	1,062,258	1,062,258
Other equity investments –	V.12				
Unlisted company stock		–	–	744,266	744,266
Listed company stock		1,424,537	–	–	1,424,537
Other non-current financial assets –	V.13				
Forward foreign exchange contracts		–	22,086	–	22,086
Equity investments		–	–	432,238	432,238
Total financial assets		1,744,589	323,441	2,256,466	4,324,496
Non-financial assets					
Investment properties	V.15	–	–	1,369,993	1,369,993
Total		1,744,589	323,441	3,626,459	5,694,489
Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities held for trading		–	–	(76,020)	(76,020)
Derivative financial liabilities –	V.3				
Forward foreign exchange contracts		–	(260,696)	–	(260,696)
Foreign exchange option contracts		–	(6,827)	–	(6,827)
Exchange rate/interest rate swap contracts		–	(2,626)	–	(2,626)
Commitment to minority interests		–	–	(1,425,969)	(1,425,969)
Other non-current liabilities –	V.41				
Interest rate swap contracts		–	(5,159)	–	(5,159)
Total financial liabilities		–	(275,308)	(1,501,989)	(1,777,297)

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IX. FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There is neither transfer between Level 1 and Level 2 nor transfer between Level 2 and Level 3 for current year.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, EBITDA multiplier and liquidity discount, etc.

The Group evaluates the fair value of investment properties. The methods primarily comprise rental income model. The inputs mainly include rental growth rate, capitalisation rate, unit price, etc.

The following table presents the movement of the financial assets in Level 3:

	Financial assets held for trading, receivables financing, other equity investments and other non-current financial assets
1 January 2024	2,256,466
Additions	121,568
Decreases	(75,548)
Total gains or losses for current year	
– Gains or losses recognised in profit or loss	17,350
– Gains or losses recognised in other comprehensive income	10,667
31 December 2024	2,330,503

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IX. FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

	Financial assets held for trading, receivables financing, other equity investments and other non-current financial assets
1 January 2023	1,471,571
Additions	433,291
Total gains or losses for current year:	
– Gains or losses recognised in profit or loss	308,775
– Gains or losses recognised in other comprehensive income	42,829
31 December 2023	2,256,466

The following table presents the movement of the non-financial assets in Level 3:

	Investment properties
1 January 2024	1,369,993
Transferred from construction in progress and fixed assets	24,286
Additions for current year	–
Total gains for current year	8,311
– Gains or losses recognised in profit or loss	8,311
Disposals for current year	(41,263)
Transfer to intangible assets and fixed assets	(9,843)
Other decreases	(826)
Translation difference of foreign currency statements	627
31 December 2024	1,351,285

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IX. FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

	Investment properties
1 January 2023	1,453,007
Transferred from construction in progress and fixed assets	2,929
Additions for current year	2,559
Total gains for current year	(16,536)
– Gains or losses recognised in profit or loss	(16,536)
Disposal for current year	(36,336)
Transfer to intangible assets and fixed assets	(35,698)
Translation difference of foreign currency statements	68
31 December 2023	1,369,993

The following table presents the movement of the financial liabilities in Level 3:

	Commitment to minority interests	Financial liabilities held for trading
1 January 2024	(1,425,969)	(76,020)
Increase in current year	–	(555)
Gains or losses on changes in fair value	12,805	(4,748)
Decrease in current year	1,413,164	1,527
Translation difference of foreign currency statements	–	(1,946)
31 December 2024	–	(81,742)

	Commitment to minority interests	Financial liabilities held for trading
1 January 2023	(1,078,642)	(35,685)
Increase in current year	–	(48,040)
Gains or losses on changes in fair value	(347,327)	6,902
Decrease in current year	–	2,395
Translation difference of foreign currency statements	–	(1,592)
31 December 2023	(1,425,969)	(76,020)

Gains or losses recognised in profit or loss are included in the income statement under the items of gains on changes in fair value, investment income and credit impairment losses respectively.

The Group's finance department is responsible for the valuation of financial assets, the independent verification and accounting of the valuation results, and the preparation of disclosure information related to fair value based on the verified valuation results.

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IX. FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table presents the information of the assets and liabilities measured at fair value in Level 2:

	Fair value as at 31 December 2024	Valuation techniques	Inputs
Derivative financial assets	11,142	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Derivative financial liabilities	(344,767)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Other non-current liabilities	(461)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Total	(334,086)		

	Fair value as at 31 December 2023	Valuation techniques	Inputs
Derivative financial assets	301,355	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Other non-current financial assets	22,086	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Derivative financial liabilities	(270,149)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Other non-current liabilities	(5,159)	Discounted cash flow	Expected interest rate; Expected foreign exchange forward rate; Contract interest rate; Risk-free interest rate
Total	48,133		

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IX. FAIR VALUE ESTIMATES (Continued)

1. Assets and liabilities 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 2024	Valuation techniques	Significant unobservable inputs			
			Name	Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,179,476	Income model	Monthly rental (RMB/ square meter/month)	3-72	(a)	Unobservable
Land use rights	171,809	Direct comparison	Rate of return/ capitalisation rate Market price (RMB/ square meter)	150-1060	(a)	Unobservable

	Fair value as at 31 December 2023	Valuation techniques	Significant unobservable inputs			
			Name	Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,173,551	Income model	Monthly rental (RMB/ square meter/month)	3 – 72	(a)	Unobservable
Land use rights	196,442	Direct comparison	Rate of return/ capitalisation rate Market price (RMB/ square meter)	150 – 828.4	(a)	Unobservable

(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.

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IX. FAIR VALUE ESTIMATES (Continued)

2. Assets and liabilities not measured at fair value but for which their fair values are disclosed

Financial assets and liabilities in the Group measured at amortised cost mainly include accounts receivable, short-term borrowings, accounts payables, long-term borrowings, debentures payable and long-term payables, etc.

As at 31 December 2024, the carrying amount of the financial assets and liabilities was not materially different from their fair value.

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

- 1. The Company does not have any holding parent company.**
- 2. For the information on the subsidiaries of the Company, refer to Note VI.1.**

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. For the information on the joint ventures and associates of the Company, refer to Note VII.2

In addition to the important joint ventures and associates have been disclosed in to Note VII, the rest of joint ventures and associates are as follows:

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage - Direct	Shareholding percentage - Indirect
Joint ventures -						
Yantai Jinghai Ocean Fishery Co., Ltd. ("Yantai Jinghai")	Shandong	Shandong	Aquaculture, processing	No	-	42.11%
Tianzhu (Shanghai) International Freight Agency Co., Ltd. ("Tianzhu International")	Shanghai	Shanghai	International freight	No	-	18.81%
Dafei Lutong (Tianjin) Logistics Co., Ltd. ("Dafei Lutong (Tianjin)")	Tianjin	Tianjin	Road freight transportation	No	-	31.98%
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NYK Zhenhua (Tianjin)")	Tianjin	Tianjin	International freight	No	-	31.98%
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd. ("Qingdao Jiefeng")	Shandong	Shandong	Container services	No	-	21.94%
Jiangsu Wanjing Technology Co., Ltd. ("Jiangsu Wanjing")	Jiangsu	Jiangsu	Sales of bearing parts	No	-	24.69%
Associates -						
Beijing Boxcool Exhibition Co., Ltd. ("Boxcool")	Beijing	Beijing	Culture services	No	-	20.00%
'K'Line Zhenhua Logistics (Tianjin) Co., Ltd. ("K'Line Zhenhua (Tianjin)")	Tianjin	Tianjin	Storage and logistics	No	-	31.98%
Hunan Zhonglao Precious Metal Technology Co., Ltd. ("Hunan Zhonglao")	Yunnan	Yunnan	Metal technology	Yes	-	13.52%
Fujian Qingchen Bamboo Industry Co., Ltd. ("Qingchen Bamboo Industry")	Fujian	Fujian	Bamboo industry	No	-	22.74%
Nantong CIMC Yike New Material Development Co., Ltd. ("Yike New Material")	Nantong	Nantong	Development of new material	No	-	35.00%
Xuzhou Lugang Shilianda Logistics Development Co., Ltd. ("Xuzhou Lugang Shilianda")	Xuzhou	Xuzhou	International freight	No	-	20.58%

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. For the information on the joint ventures and associates of the Company, refer to Note VII.2 (Continued)

	Main premises	Registration place	Nature of business	Strategic for the Group or not	Shareholding percentage – Direct	Shareholding percentage – Indirect
Qingdao Port Lianhua International Logistics Co., Ltd. ("Qingdao Port Lianhua")	Qingdao	Qingdao	International freight	No	–	25.08%
Yichuan Tianyun Clean Energy Co., Ltd. ("Yichuan Tianyun")	Shaanxi	Shaanxi	Clean energy	No	–	26.16%
Senju (Shanghai) International Trade Co., Ltd. (Senju (Shanghai))	Shanghai	Shanghai	International trade	No	–	17.03%
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	Ningbo	Ningbo	Container services	No	–	30.72%
OOS international B.V.	The Netherlands	The Netherlands	Offshore engineering investment	No	–	35.00%
Chengdu To Communication Equipment Co., Ltd. ("Chengdu To")	Sichuan	Sichuan	Communication services	No	–	20.00%
Angang CIMC (Yingkou) New Energy Technology Co., Ltd. ("Angang Yingkou")	Liaoning	Liaoning	Hazardous chemicals	No	–	33.81%
Ant Supply Chain (Shanghai) Co., Ltd. ("Ant Supply")	Shanghai	Shanghai	International freight	No	–	28.22%
China Speed Airport & Aviation Service (Guangzhou) Co., Ltd. ("China Speed Airport")	Guangdong	Guangdong	Freight forwarder	No	–	15.05%
Zhejiang Tengjinghui New Materials Co., Ltd. ("Zhejiang Tengjinghui")	Zhejiang	Zhejiang	Sales of new materials	No	–	15.16%

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. For the information on the joint ventures and associates of the Company, refer to Note VII.2 (Continued)

Company name	Connection relationship
SIPG and its subsidiaries	Minority interests of subsidiaries of the Group
Suzhou International Train Freight Co., Ltd. (" International Train Freight ")	Minority interests of subsidiaries of the Group
Ningxia Yuanshan New Energy Group Co., Ltd. (" Ningxia Yuanshan ")	Minority interests of subsidiaries of the Group
Wanhua Chemical (Singapore) Pte. Ltd. (" Wanhua Chemical Singapore ")	Minority interests of subsidiaries of the Group
Wanhua Chemical Group Material Co., Ltd. (" Wanhua Chemical Group ")	Minority interests of subsidiaries of the Group
Yantai Guoyuan Financial Leasing Co., Ltd. (" Yantai Guoyuan Financial Leasing ")	Minority interests of subsidiaries of the Group
China Merchants Port Group Co., Ltd. (" Merchants Port and its subsidiaries ")	Subsidiary of the Group's significant shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd. (" Merchants Shekou and its subsidiaries ")	Subsidiary of the Group's significant shareholder
China Merchants Hoi Tung Trading Company Ltd. (" Merchants Hoi Tung and its subsidiaries ")	Subsidiary of the Group's significant shareholder
Shenzhen Capital and its subsidiaries	Subsidiary of the Group's significant shareholder
Sinotrans & CSC Holdings Co., Ltd. (" Sinotrans & CSC and its subsidiaries ")	Subsidiary of the Group's significant shareholder
Liaoning Port Group Co., Ltd. (" Liaoning Port and its subsidiaries ")	Subsidiary of the Group's significant shareholder
Sinotrans Container Lines Co., Ltd. (" Sinotrans Container Lines and its subsidiaries ")	Subsidiary of the Group's significant shareholder
Shenzhen Huijin Intelligent Industry Co., Ltd. (" Huijin Intelligent and its subsidiaries ")	Subsidiary of the Group's significant shareholder
China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (" CMOEI and its subsidiaries ")	Subsidiary of the Group's significant shareholder
China Merchants Heavy Industry Holdings Ltd. (" Merchants Heavy ")	Subsidiary of the Group's significant shareholder

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements and followed the normal approval procedures for non-related party transactions.

(1) Purchase of goods and receiving of services

	2024	2023
– Purchase of goods		
Yichuan Tianyun	454,731	527,644
Qingchen Bamboo Industry	250,143	58,958
Zhejiang Tengjinghui	181,895	27,061
WANHUA CHEMICAL	148,783	–
Merchants Hoi Tung and its subsidiaries	16,402	8,300
Yike New Material	13,678	72,108
Jiangsu Wanjing	9,564	5,038
Merchants Shekou and its subsidiaries	8,118	7,246
Boxcool	4,915	18,861
Others	27,814	194
Total	1,116,043	725,410

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**4. Related party transactions (Continued)****(1) Purchase of goods and receiving of services (Continued)**

	2024	2023
– Receiving of services		
Sinotrans & CSC and its subsidiaries	1,211,167	746,656
SIPG and its subsidiaries	895,957	673,234
International Train Freight	86,833	153,006
Merchants Shekou and its subsidiaries	37,500	18,519
Dafei Lutong (Tianjin)	36,799	38,395
Ningbo Mediterranean	26,027	22,302
OOS International B.V.	21,666	18,856
Merchants Port and its subsidiaries	20,959	10,716
Liaoning Port and its subsidiaries	16,709	12,839
Qingdao Port Lianhua	16,045	18,018
Xuzhou Lugang Shilianda	9,711	14,808
Shenzhen Leasing and its subsidiaries	7,640	2,946
Other related parties	37,313	37,029
Total	2,424,326	1,767,324

For the above transactions between the Group and related parties involving continuing connected transaction agreements with the Group, none of the actual transaction amounts in 2024 exceeded the upper limit of the amount agreed in the approved continuing connected transaction agreements.

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**4. Related party transactions (Continued)****(2) Sales of goods and rendering of services**

	2024	2023
– Sales of goods		
Shenzhen Leasing and its subsidiaries	426,186	404,440
Angang Yingkou	276,438	69,509
SIPG and its subsidiaries	275,877	7,603
Sinotrans & CSC and its subsidiaries	172,679	10,308
Sinotrans Container Lines and its subsidiaries	119,602	19
Wanhua Chemical Group	94,118	–
CMOEI and its subsidiaries	85,242	109,707
Merchants Heavy	26,018	–
C&C Trucks	8,429	12,896
CIMC Industry & City and its subsidiaries	8,223	13,704
Yantai Jinghai	–	43,607
Shenzhen Capital and its subsidiaries	–	7,140
Other related parties	43,353	93,937
Total	1,536,165	772,870

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**4. Related party transactions (Continued)****(2) Sales of goods and rendering of services (Continued)**

	2024	2023
– Rendering of services		
Sinotrans & CSC and its subsidiaries	288,461	201,888
Tianzhu International	123,214	42,469
SIPG and its subsidiaries	61,719	24,134
Dafei Lutong (Tianjin)	35,107	35,054
Ant Supply	28,462	22,885
NKY Zhenhua (Tianjin)	22,704	25,082
Qingdao Port Lianhua	10,823	8,971
International Train Freight	9,625	61,286
Other related parties	33,113	40,265
Total	613,228	462,034

For the above transactions between the Group and related parties involving continuing connected transaction agreements with the Group, none of the actual transaction amounts in 2024 exceeded the upper limit of the amount agreed in the approved continuing connected transaction agreements.

(3) Leasing

The short-term lease income recognised by the Group as the lessor in current year:

Lessee's name	Type of the leased asset	2024	2023
CM ENERGY TECH CO., LTD.	Jack-up drilling platform	190,347	189,993
Dafei Lutong (Tianjin)	Container yard, buildings, machinery and equipment	9,568	–
SIPG and its subsidiaries	Container yard	5,032	5,378
Other related parties	Container yard	418	11,104
Total		205,365	206,475

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**4. Related party transactions (Continued)****(3) Leasing (Continued)**

The Group's increased right-of-use assets as lessee in current year:

Lessor's name	Type of the leased asset	2024	2023
CIMC Industry & City and its subsidiaries	Buildings	–	20,186
Merchants Shekou and its subsidiaries	Buildings	23,991	13,686
Total		23,991	33,872

Interest expenses on lease liabilities assumed by the Group as the lessee:

Lessor's name	2024	2023
Shenzhen Leasing and its subsidiaries	3,514	–
China Merchants Shekou and its subsidiaries	1,799	1,109
CIMC Industry & City and its subsidiaries	1,564	617
Other related parties	1,448	1,416
Total	8,325	3,142

Rental expenses for short-term leases and low-value leases for which the Group is the lessee is recognised directly in profit or loss:

Lessor's name	2024	2023
Merchants Port and its subsidiaries	5,469	3,385
Other related parties	2,784	2,427
Total	8,253	5,812

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**4. Related party transactions (Continued)****(4) Receivables arising from financing for related parties**

Related parties	Opening balance	Increase in current year	Decrease in current year	Ending balance	Starting date	Ending date	Interest income/ expenses/ commission recognised
CIMC Industry & City and its subsidiaries	665,272	116,251	(41,747)	739,776	25 January 2022	22 December 2026	41,910
CIMC Industry & City and its subsidiaries	1,014	-	-	1,014	27 March 2018	Repayment date not fixed	-
Ningxia Yuanshan	20,354	-	(20,354)	-	18 June 2021	Repayment date not fixed	-
'K'Line Zhenhua (Tianjin)	10,011	9,118	(10,319)	8,810	12 July 2023	5 December 2025	316
NKY Zhenhua (Tianjin)	6,064	5,269	(8,538)	2,795	29 September 2022	20 December 2025	225
Total	702,715			752,395			

Related parties	Opening balance	Increase in current year	Decrease in current year	Ending balance	Interest paid	Interest and commission received
CIMC Industry & City and its subsidiaries	138,631	9,830,523	(9,897,335)	71,819	703	17
Shenzhen Leasing and its subsidiaries	103,428	14,000,068	(14,000,169)	103,327	2,726	2
Total	242,059			175,146		

(5) Guarantee

The Group as the guarantor:

Guarantee	Guarantee balance	Starting date	Ending date	Whether the guarantee has been fulfilled
CIMC Industry & City and its subsidiaries	232,957	1 January 2024	7 January 2024	No
Shenzhen Leasing and its subsidiaries	639,880	1 January 2024	22 April 2033	No
C&C Trucks	106,260	1 January 2024	1 February 2025	No

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Related party transactions (Continued)

(6) Loans provided by the Group to key management personnel

As at 31 December 2024, the Group had no loans to key management personnel (31 December 2023: Nil).

5. Balance of related parties

(1) Accounts receivable

As at 31 December 2024, accounts receivable from related parties were analysed as follows

Company name	31 December 2024			31 December 2023		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
CM ENERGY TECH CO., LTD.	176,835	0.53%	–	47,220	0.20%	19
Sinotrans Container Lines and its subsidiaries	135,156	0.41%	–	3	–	–
Shenzhen Leasing and its subsidiaries	65,304	0.20%	107	13,964	0.06%	6
Sinotrans & CSC and its subsidiaries	50,053	0.15%	484	32,548	0.13%	13
Wanhua Chemical Group	32,971	0.10%	1,924	–	–	–
SIPG and its subsidiaries	22,853	0.07%	252	7,991	0.03%	3
Tianzhu International	21,979	0.07%	220	–	–	–
Yantai Jinghai	21,750	0.07%	–	28,882	0.12%	12
Hunan Zhonglao	21,038	0.06%	–	43,816	0.18%	18
Yantai Guoyuan Financial Leasing	17,400	0.05%	–	–	–	–
Angang Yingkou	20,712	0.06%	–	–	–	–
Other related parties	93,773	0.28%	1,363	74,633	0.31%	30
Total	679,824	2.04%	4,350	249,057	1.03%	101

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**5. Balance of related parties (Continued)****(2) Other receivables**

As at 31 December 2024, other receivables from related parties were analysed as follows

Company name	31 December 2024				31 December 2023			
	Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
CIMC Industry & City and its subsidiaries	740,790	Receivables arising from financing for related parities	14.48%	63,927	666,286	Receivables arising from financing for related parities	13.70%	18,076
CIMC Industry & City and its subsidiaries	652,819	Dividends receivable, receivables from demolition compensation and daily transfer	12.76%	1	450,998	Daily transfer and dividends receivable	9.27%	915
OOS international B.V. 'K'Line Zhenhua (Tianjin)	15,466	Daily transfer	0.30%	–	15,038	Daily transfer	0.31%	–
	8,810	Receivables arising from financing for related parities	0.17%	–	10,011	Receivables arising from financing for related parities	0.21%	–
NKY Zhenhua (Tianjin)	2,795	Receivables arising from financing for related parities	0.05%	–	6,064	Receivables arising from financing for related parities	0.12%	–

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**5. Balance of related parties (Continued)****(2) Other receivables (Continued)**

As of 31 December 2024, other receivables from related parties were analysed as follows (Continued)

Company name	31 December 2024				31 December 2023			
	Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
Merchants Port and its subsidiaries	1,550	Daily transfer	0.03%	-	2,793	Daily transfer	0.06%	-
SIPG and its subsidiaries	1,182	Daily transfer	0.02%	12	2,948	Daily transfer	0.06%	-
Yantai Jinghai	1,049	Daily transfer	0.02%	-	-	Daily transfer	-	-
Sinotrans & CSC and its subsidiaries	693	Daily transfer	0.01%	39	4,555	Daily transfer	0.09%	-
Sinotrans Container Lines and its subsidiaries	325	Daily transfer	0.01%	6	225	Daily transfer	-	-
Liaoning Port and its subsidiaries	111	Daily transfer	-	67	2,419	Daily transfer	0.05%	-
Shenzhen Leasing and its subsidiaries	49	Daily transfer	-	49	300	Daily transfer	0.01%	-
Ningxia Yuanshan	-	Daily transfer	-	-	20,354	Receivables arising from financing for related parties	0.42%	13,376
CMOEI and its subsidiaries	-	Daily transfer and dividends receivable	-	-	150	Daily transfer	-	-
Other related parties	117,548		2.30%	-	79,456	Daily transfer and dividends receivable	1.63%	-
Total	1,543,187		30.16%	64,101	1,261,597		25.93%	32,367

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**5. Balance of related parties (Continued)****(3) Advances to suppliers**

Advances to related parties are analysed as follows:

Company name	31 December 2024			31 December 2023		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Shenzhen Leasing and its subsidiaries	125	–	–	18,727	0.22%	–
China Speed Airport	12,785	0.18%	–	–	–	–
Sinotrans & CSC and its subsidiaries	10,740	0.15%	–	1,768	0.02%	–
Merchants Port and its subsidiaries	4,212	0.06%	–	872	0.01%	–
Other related parties	3,698	0.05%	137	20,860	0.25%	–
Total	31,560	0.44%	137	42,227	0.50%	–

(4) Accounts payables

As at 31 December 2024, accounts payables owed to related parties were as follows:

Company name	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Sinotrans & CSC and its subsidiaries	139,239	0.52%	72,334	0.36%
SIPG and its subsidiaries	164,848	0.61%	61,298	0.30%
Qingchen Bamboo Industry	47,667	0.18%	15,031	0.07%
WANHUA CHEMICAL	18,308	0.07%	–	–
Yike New Material	6,690	0.02%	16,916	0.08%
Shenzhen Leasing and its subsidiaries	–	–	10,009	0.05%
Other related parties	52,090	0.19%	27,065	0.13%
Total	428,842	1.60%	202,653	1.00%

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Balance of related parties (Continued)

(5) Other payables

Company name	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Shenzhen Leasing and its subsidiaries	197,659	3.55%	94,332	1.48%
CIMC Industry & City and its subsidiaries	72,587	1.30%	3,843	0.06%
OOS international B.V.	21,149	0.38%	19,545	0.31%
SIPG and its subsidiaries	5,252	0.09%	2,984	0.05%
Other related parties	13,065	0.23%	19,092	0.30%
Total	309,712	5.56%	139,796	2.19%

(6) Contract liabilities.

As at 31 December 2024, contract liabilities owed to related parties were as follows:

Company name	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Shenzhen Leasing and its subsidiaries	93,237	0.64%	129,736	0.99%
Sinotrans & CSC and its subsidiaries	13,563	0.09%	52,660	0.40%
CMOEI and its subsidiaries	42,717	0.29%	81,050	0.62%
Other related parties	37,150	0.25%	20,492	0.16%
Total	186,667	1.28%	283,938	2.18%

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**6. Commitments of related parties**

As at 31 December 2024, there were no commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group.

7. Benefits and significant interests of directors and senior management personnel

- (1) Share options and shares are granted to some key management personnel under share option plan, restricted share incentive plan, CIMC Safe Tech Award Scheme and CLPT Award Scheme of Enric (the Company' subsidiary) and share incentive plan of CIMC Tianda (the Company' subsidiary). As at 31 December 2024, the number and proportion of outstanding share options and shares in the corresponding company were as follows:

Name	Position	Enric and its subsidiaries								CIMC Tianda	
		Share option plan		Restricted share incentive plan		CIMC Safe Tech Award Scheme		CLPT Award Scheme		Share incentive plan	
		Number (10 thousand)	%	Number (10 thousand)	%	Number (10 thousand)	%	Number (10 thousand)	%	Number (10 thousand)	%
Gao Xiang	Chairman	100.00	0.05%	120.00	0.06%	170.00	0.28%	433.33	0.59%	-	-
Yu Yuqun	Vice Chairman	45.00	0.02%	80.00	0.04%	68.00	0.11%	-	-	9.40	0.02%
Zeng Han	Vice Chairman and CFO	45.00	0.02%	60.00	0.03%	68.00	0.11%	72.22	0.10%	9.40	0.02%
Li Yinhui	Vice Chairman	-	-	-	-	-	-	-	-	18.80	0.05%
Total		190.00	0.09%	260.00	0.13%	306.00	0.50%	505.55	0.69%	37.60	0.09%

For detailed information for fair value of the granted share options aforesaid, please refer to Note XI.

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Benefits and significant interests of directors and senior management personnel (Continued)

(2) Emoluments of the directors, supervisors and senior management personnel of the Company

Emoluments of the directors, supervisors and senior management personnel for the year ended 31 December 2024 were as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Directors –						
Mai Boliang	–	3,600	31	4,536	392	8,559
Zhu Zhiqiang	–	–	–	–	–	–
Hu Xianfu	–	–	–	–	–	–
Sun Huirong	–	–	–	–	–	–
Deng Weidong	–	–	–	–	–	–
Zhao Feng	240	–	–	–	–	240
Lui Fung Mei Yee, Mabel	240	–	–	–	–	240
Zhang Guanghua	240	–	–	–	–	240
Yang Xiong	240	–	–	–	–	240
Sub-total	960	3,600	31	4,536	392	9,519

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors –						
Shi Lan	–	–	–	–	–	–
Lin Changsen	–	–	–	–	–	–
Ma Tianfei	–	898	146	1,007	46	2,097
Sub-total	–	898	146	1,007	46	2,097

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**7. Benefits and significant interests of directors and senior management personnel (Continued)****(2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)**

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Other senior management personnel –						
Gao Xiang	–	2,164	170	2,162	46	4,542
Li Yinhui	–	1,659	166	1,235	46	3,106
Huang Tianhua	–	1,660	73	1,807	–	3,540
Yu Yuqun	–	1,656	90	1,739	46	3,531
Zeng Han	–	1,444	170	1,406	46	3,066
Wu Sanqiang	–	1,210	170	1,210	46	2,636
Sub-total	–	9,793	839	9,559	230	20,421
Total	960	14,291	1,016	15,102	668	32,037

Other benefits mainly consist of housing funds, pensions, medical insurance, etc.

In addition to the above emolument attributable to the year 2024, the Company did not pay the emolument attributable to the previous years to any senior management personnel.

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Benefits and significant interests of directors and senior management personnel (Continued)

(2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)

Emoluments of the directors, supervisors and senior management personnel for the year ended 31 December 2023 were as follows:

		Emoluments for other management service of the Company or subsidiaries					
Name		Remuneration	Salary and allowance	Pension	Bonus	Others	Total
Directors –							
Mai Boliang		–	3,600	88	7,020	393	11,101
Zhu Zhiqiang		–	–	–	–	–	–
Hu Xianfu		–	–	–	–	–	–
Sun Huirong		–	–	–	–	–	–
Deng Weidong		–	–	–	–	–	–
Zhao Feng	Note (i)	–	–	–	–	–	–
Lui Fung Mei Yee, Mabel		240	–	–	–	–	240
Zhang Guanghua		240	–	–	–	–	240
Yang Xiong		240	–	–	–	–	240
Sub-total		720	3,600	88	7,020	393	11,821

Note (i): On 26 September 2023, Ms. Zhao Feng was elected as a non-executive director of the tenth Board of Directors according to the resolution of the third extraordinary general meeting of the Company in 2023.

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**7. Benefits and significant interests of directors and senior management personnel (Continued)****(2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)**

		Emoluments for other management service of the Company or subsidiaries					
Name		Remuneration	Salary and allowance	Pension	Bonus	Others	Total
Supervisors –							
Shi Lan		–	–	–	–	–	–
Lin Changsen	Note (ii)	–	–	–	–	–	–
Lou Dongyang	Note (iii)	–	–	–	–	–	–
Ma Tianfei		–	878	129	1,490	43	2,540
Sub-total		–	878	129	1,490	43	2,540

Note (ii): On 16 March 2023, Mr. Lin Changsen was re-elected as a supervisor representing the Shareholders in the tenth Board of Supervisors according to the resolution of the first extraordinary general meeting of the Company in 2023.

Note (iii): On 16 March 2023, Mr. Lou Dongyang ceased to act as a supervisor representing the shareholders of the Company due to job change.

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Benefits and significant interests of directors and senior management personnel (Continued)

(2) Emoluments of the directors, supervisors and senior management personnel of the Company (Continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Other senior management personnel –						
Gao Xiang	–	2,164	165	3,888	43	6,260
Li Yinhui	–	1,649	199	2,732	44	4,624
Huang Tianhua	–	1,660	142	2,981	32	4,815
Yu Yuqun	–	1,664	89	2,484	43	4,280
Zeng Han	–	1,444	165	2,592	43	4,244
Wu Sanqiang	–	1,210	165	1,728	43	3,146
Sub-total	–	9,791	925	16,405	248	27,369
Total	720	14,269	1,142	24,915	684	41,730

Other benefits mainly consist of housing funds, pensions, medical insurance, etc.

In addition to the above emolument attributable to the year 2023, the Company also paid the emolument attributable to the previous years to Mr. Mai Boliang, a director, and other senior management personnel in cash during the year amounting to RMB 3,966,000 and RMB 10,119,000 respectively.

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**7. Benefits and significant interests of directors and senior management personnel (Continued)****(3) Termination benefits for directors**

In 2024, there was no compensation for directors with terminated appointment from the Company and the subsidiaries. (2023: Nil).

(4) Consideration paid to third parties for service of directors

In 2024, there was no consideration paid to third parties for service of directors (2023: Nil).

(5) Loans, quasi-loans offered to and other transactions with directors, legal entities controlled by directors and their related persons

As at 31 December 2024, there were no loans, quasi-loans offered to and other transactions with directors, legal entities controlled by directors and their related persons (31 December 2023: Nil).

(6) Guarantees for loans of directors, legal entities controlled by directors and their related entities

As at 31 December 2024, there were no guarantees for loans of directors, legal entities controlled by directors and their related entities (31 December 2023: Nil).

(7) Significant interest of directors in transactions, arrangement and contracts

In 2024, 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 (2023: Nil).

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

8. Top 5 of the emoluments

In 2024, the top 5 of the emoluments consisted of 1 director and executive officer, and 1 senior management personnel. Their emoluments have been reflected in Note X.7(2); the emoluments of other 3 staffs are listed as follow:

	2024	2023
Remuneration, bonus, housing and other funds	19,409	5,934
Bonus	–	–
Pension	249	48
Sign-on bonus	–	–
Severance compensation	–	–
Total	19,658	5,982

	Number of people	
	2024	2023
Emoluments range (HKD):		
HKD 6,000,001 – 6,500,000	1	–
HKD 6,500,001 – 7,000,000	1	1
HKD 7,500,001 – 8,000,000	1	–
Total	3	1

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XI. SHARE-BASED PAYMENTS

1. Summary of the Group's major share-based payments

Expenses recognised for the year arising from share-based payments are as follows:

	2024	2023
Equity-settled share-based payments	171,560	88,685

2. Information on equity-settled share-based payments

(1) Information on equity-settled share-based payments of Enric

(a) Share option plan

Enric carried out another share option plan ("**Plan I**"), which was approved by the shareholders' meeting on 12 July 2006. According to Plan I, the Board of Directors of Enric was authorised to grant share options to the senior management personnel and other employees of Enric to subscribe for shares of Enric. And the Granter shall pay a consideration of HKD1 when granting share options. Each option gives the holder the right to subscribe for one ordinary share in Enric. The grant period is 10 years from the date of grant. Plan I expires on 11 July 2016. Enric adopts a new share option plan ("**Plan II**") from 12 July 2016. The validity period of Plan II is 10 years. In 2024, no share options were granted under Plan II.

As at 31 December 2024, the exercise price of the outstanding options was HKD7.05 (2023: HKD8.81) and the weighted average remaining contractual life was 8.90 years (2023: 5.92 years). Expenses arising from the share option plan recognised in 2024 amounted to RMB41,161,000 (2023: RMB4,520,000).

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XI. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payments (Continued)

(1) Information on equity-settled share-based payments of Enric (Continued)

(b) *Share award scheme (2020)*

The Board of Directors of Enric adopted the Share Award Scheme (2020) ("**2020 Award Scheme**") on 3 April 2020. According to the 2020 Award Scheme, the Board of Directors of Enric has the sole discretion to select any Enric employee as a qualified participant of the scheme. The Board of Directors of Enric 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. The Board of Directors of Enric 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 at 31 December 2024, the trustee had purchased 40,208,000 shares of Enric according to the 2020 Award Scheme (31 December 2023: 39,898,000 shares)

In 2024, a total of 64,000 shares were granted to selected participants under the 2020 Award Scheme. The shares are held by the trustee on behalf of the selected participants until the grant shares are exercised. Selected participants are entitled to the related distribution derived from the relevant grant shares during the period from the date of the issue of the grant shares to the exercise date (both dates inclusive) of the grant shares.

The selected participants include certain directors, certain members of senior management and employees of Enric who under the terms of the 2020 Award Scheme subscribed for the restricted shares at HKD3.70 per share.

For shares granted on 7 December 2022, if the vesting conditions are fulfilled, the grant shares shall be exercised at 72.1% and 27.9% by April 2023 and April 2024, respectively. For shares granted on 13 November 2023, if the vesting conditions are fulfilled, the grant shares shall be exercised at 3.97% and 96.03% by April 2024 and April 2025, respectively. For shares granted on 26 March 2024, if the vesting conditions are fulfilled, the grant shares shall be exercised by April 2024. For participants who do not meet the exercise conditions, the remaining unexercised shares at the end of the 2020 Award Scheme will be forfeited.

The fair value of the awarded shares was assessed based on the market price of Enric's shares at the grant date. The expected dividends and time value of money for the expected dividends during the waiting period were taken into account when assessing the fair value of the awarded shares.

The weighted average fair value of awarded shares granted in 2023 and 2024 was HKD3.46 (equivalent to approximately RMB3.18) per share and HKD3.33 (equivalent to approximately RMB2.98) per share, respectively. Expenses arising from share-based payments recognised in 2024 under the 2020 Award Scheme were RMB9,133,000 (2023: RMB29,144,000).

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XI. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payments (Continued)

(1) Information on equity-settled share-based payments of Enric (Continued)

- (c) On 27 November 2020, the Board of Directors of Enric adopted the CIMC Safe Tech Award Scheme ("**CIMC Safe Tech Award Scheme**"), an equity incentive plan of a subsidiary CIMC Safe Tech, for the recognition of the past and present contributions of incentive recipients to the Chemicals and Environment business segment, motivating them to keep contributing in the future. Equity of CIMC Safe Tech will be distributed to the incentive recipients through a Partnership Platform upon completion of the increase of share capital of CIMC Safe Tech pursuant to the scheme. The total capital contribution made by the participants (through the Partnership Platforms) of the CIMC Safe Tech Award Scheme was approximately RMB97,134,000 (2023: RMB97,134,000), representing 10% of the enlarged share capital of CIMC Safe Tech. As at 31 December 2024, there was still a waiting period. Expenses arising from share-based payments recognised in 2024 under the scheme were RMB18,486,000 (2023: RMB19,943,000).
- (d) On 8 June 2022, the Board of Directors of Enric adopted the CLPT Award Scheme ("**CLPT Award Scheme**"), an equity incentive plan of a subsidiary CIMC Liquid Process Technologies Co., Ltd. ("**CLPT**"), for the recognition of the past and present contributions of incentive recipients to the Liquid Food business segment. Equity of CLPT will be distributed to the incentive recipients through a Partnership Platform upon completion of the increase of share capital of CLPT pursuant to the scheme. The total capital contribution made by the participants (through the Partnership Platforms) of the CLPT Award Scheme was approximately RMB82,934,000 (2023: RMB82,934,000), representing 6.33% of the enlarged share capital of CLPT. As at 31 December 2024, there was still a waiting period. Expenses arising from share-based payments recognised in 2024 under the scheme were RMB83,246,000 (2023: RMB22,808,000).

(2) Information on equity-settled share-based payments of CIMC Tianda

On 9 March 2005, 9 employees of Tianda Airport together with the Labour Union of Tianda Airport (hereinafter "**Tianda Labour Union**") established Shenzhen TGM Limited (hereinafter "**Employee Shareholding Platform**") with a registered capital of RMB9.40 million, in which Tianda Labour Union holds 61.3% of the equity interests. Since 2005, Shenzhen TGM Limited has granted the reserved shares held by Tianda Labour Union to the employees of Tianda Airport as a reward in batches on an annual basis. The waiting period of the restricted share incentive plan of CIMC Tianda participated by these employees is 5 years. CIMC Tianda determines the fair value of the restricted shares based on the price of the ordinary shares on the grant date. The difference between the fair value of each restricted share and the capital increase price of each share held by the incentive recipients is amortised and credited to the expenses of share-based payments during the waiting period.

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XI. SHARE-BASED PAYMENTS (Continued)

2. Information on equity-settled share-based payments (Continued)

(3) Information on equity-settled share-based payments of CIMC Wetrans Logistics

In 2020, pursuant to the Core Employee Stock Ownership Plan of CIMC Wetrans Logistics Technology (Group) Co., Ltd., a shareholding platform was established, through which the employees eligible for the incentive were granted incentive shares. In 2024, the difference between the consideration of the equity granted to eligible employees through the shareholding platform within CIMC Wetrans Logistics Technology (Group) Co., Ltd. and the fair value of the net assets shared by the granted equity was recognised in general and administrative expenses and capital reserve.

(4) Information on equity-settled share-based payments of CIMC Transport Technology

In 2022, a subsidiary of the Group, CIMC Transport Technology Co., Ltd., using Ningbo Bochuang Xingxu Enterprise Management Partnership (Limited Partnership) as an employee shareholding platform, granted incentive equity to employees that met the incentive conditions by transferring the property share of the employee's shareholding platform company. In 2024, the difference between the consideration for the equity obtained by the employees and the fair value of the net assets corresponding to this part of the equity was recognised in general and administrative expenses and capital reserve by CIMC Transport Technology Co., Ltd.

3. Summary of share-based payments in current year

As at 31 December 2024, accumulated amount recognised in capital reserve for share-based payments

790,613

Total expenses recognised for share-based payments	2024	2023
Including:		
– attributed to Enric	152,026	76,416
– attributed to CIMC Tianda	10,445	10,691
– attributed to CIMC Wetrans Logistics	2,656	220
– attributed to CIMC Transport Technology	6,433	1,358
Total	171,560	88,685

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XII. 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-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 2024 and 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Total liabilities	106,732,434	97,132,883
Total assets	174,752,236	161,763,233
Debt-Asset ratio	61%	60%

XIII. COMMITMENTS AND CONTINGENCIES

1. Capital commitments

- (1) Except for the events described in Note V.14(2)(ii), the Group's capital expenditures contracted for but not yet necessary to be recognised on the balance sheet are summarised as follows:

	2024	2023
Investment contract	—	5,000
Fixed assets purchase and construction contract	290,088	69,375
Total	290,088	74,375

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XIII. COMMITMENTS AND CONTINGENCIES(CONTINUED)

2. Contingencies

(1) Guarantees provided for external parties

CIMC Vehicles, a subsidiary of the Group, signed contracts with Huishang Bank, Sinotruk Auto Finance Co., Ltd. and Industrial Bank, which was granted to the distributors and customers of the Group and its subsidiaries arising from purchase of vehicle products. As at 31 December 2024, the aggregate amount of credit facilities in respect of which the Group and its subsidiaries provided guarantees to the distributors and customers was RMB73,340,000 (31 December 2023: RMB445,985,000). The Group expected that there was no significant increase in credit risk of such guarantee since initial recognition, and recognized the 12-month ECL (Note V.34).

The Company entered into guarantee agreements with The Export-Import Bank of China, Anhui Branch to provide guarantees for the loans of C&C Trucks, an associate, and its subsidiaries. As at 31 December 2024, the loans guaranteed by the Company amounted to RMB106,260,000 (31 December 2023: RMB106,260,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

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. It signed a loan guarantee contract, providing phased guarantees for the loans that the customers of the company obtained from the relevant banks for purchasing properties. As at 31 December 2024, the customer financing loans provided by the Shaanxi Vehicle Industrial Park were approximately RMB4,822,000 (31 December 2023: RMB7,050,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Company entered into guarantee agreements with relevant banks to provide guarantees for the loans of CIMC Industry & City and its subsidiaries. As at 31 December 2024, the loans guaranteed by the Company amounted to RMB232,957,000 (31 December 2023: RMB244,549,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

A controlling subsidiary of CIMC Enric, a subsidiary of the Group, signed guarantee contracts with China Everbright Bank to provide credit guarantees for loans to Yichuan Tianyun Clean Energy Co., Ltd. via relevant banks. As at 31 December 2024, the loans provided by the controlling subsidiary of CIMC Enric were approximately RMB46,605,000 (31 December 2023: RMB54,964,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

The Company and its subsidiaries entered into guarantee agreements with relevant banks to provide guarantees for the loans of Shenzhen Leasing and its subsidiaries. As at 31 December 2024, the amount guaranteed by the Company and its subsidiaries was RMB639,880,000 (31 December 2023: RMB1,032,828,000). After assessment, the Group expected a low credit risk of the guarantee, therefore did not make provision for ECL.

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XIII. COMMITMENTS AND CONTINGENCIES(CONTINUED)

2. Contingencies (Continued)

(2) Major litigation matters

Eight entities including the headquarters of the CIMC Group and its subsidiary Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) (collectively referred to as the **"Defendants"**), successively received litigation materials from the High Court of Singapore since 7 July 2023. Goodpack IBC (Singapore) PTE. Ltd and Goodpack PTE. Ltd. (collectively referred to as the **"Plaintiffs"**) have appealed that when the Defendants entered the IBC (Intermediate Bulk Container) leasing business in the rubber industry, we were involved in "plagiarizing the Plaintiffs' products, involving the Plaintiffs' technology and confidential information by the invention patents and utility model patents applied for in China, and misappropriating the Plaintiffs' intellectual property and technologies". The Plaintiffs alleged that the Defendants had breached the obligation of confidentiality, engaged in a conspiracy to infringe and obtained unjust enrichment, claiming a compensation in the amount of USD9.8562 million, banning the manufacturing of and recalling of all infringing IBCs, and the payment of the profits gained from such infringement and that the Defendants should bear joint liabilities. Goodpack IBC (Singapore) PTE. Ltd subsequently initiated the arbitration against Dalian CIMC Special Logistics Equipment Co., Ltd. (大連中集特種物流裝備有限公司) and Dalian CIMC Logistics Equipment Co., Ltd. (大連中集物流裝備有限公司) (collectively referred to as the **"Respondents"**, both are the subsidiaries of the Company) at the Singapore International Arbitration Centre on 2 February 2024, and alleged that the Respondents had breached confidentiality, non-competition and intellectual property rights covenants in the relevant agreements and appendices, claiming the award of the breach of the Respondents, a compensation in a total amount of USD19.8137 million, banning the manufacturing of and recalling of all infringing IBCs, and the payment of the profits gained from such infringement and the Respondents bearing joint liabilities. As at the date of this announcement, the abovementioned lawsuit has been suspended by the Singapore High Court, and the first trial of the lawsuit has not yet been formally heard; the arbitral tribunal of the said arbitration has been formed but has not yet been formally heard. The Group has engaged external legal advisers in respect of the aforesaid case. However, as the relevant legal proceeding is still at an early stage, the management believes that there are uncertainties in the timing and outcome of the conclusions as at the date of this announcement, and the Group is unable to reliably estimate the amount of liabilities that may arise, if any. Therefore, the litigation constitutes a contingent liability of the Group, for which the Group has not made any provision in the financial statements and is unable to anticipate the possible impact on the Group's financial statements in the future at this stage.

The Group involved as defendant in certain outstanding litigations. Apart from the abovementioned litigations, the litigations are still at an early stage of trial. The outcomes of the trials are uncertain, which cannot be reliably measured, and the likelihood of an outflow of projected economic benefits from the related litigations is remote.

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XIII. COMMITMENTS AND CONTINGENCIES(CONTINUED)

2. Contingencies (Continued)

(3) Outstanding letter of credit issued and outstanding performance guarantees issued

The Group does not recognise letter of credit issued as deposits. As at 31 December 2024, the Group had outstanding letters of credit issued but undue of RMB1,483,428,000 (31 December 2023: RMB1,216,742,000).

As at 31 December 2024, the Company had outstanding balance of bank guarantees issued for the subsidiaries of the Group of RMB14,449,000, USD1,121,994,000 (equivalent to RMB8,185,393,000), GBP945,000 (equivalent to RMB8,658,000), EUR14,719,000 (equivalent to RMB111,803,000), PLN120,416,000 (equivalent to RMB67,108,000), totaling RMB8,387,411,000 (31 December 2023: RMB8,982,283,000).

As at 31 December 2024, the amount of the unexpired letter of guarantee of the Group's subsidiary issued by the bank was RMB7,683,413,000 (31 December 2023: RMB5,666,192,000) of which the balance of the advance payment guarantee was RMB4,760,919,000, and the balance of the quality guarantees (including foreign guarantees) was RMB355,166,000, the balance of other non-financing guarantees was RMB89,218,000, and the balance of performance guarantees was RMB2,478,109,000.

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XIV. EVENTS AFTER THE BALANCE SHEET DATE

1. Dividend distribution after the balance sheet date

Dividend proposed (Note (1))	944,746
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(1) Dividend for ordinary shares proposed after the balance sheet date

On 27 March 2025, the Board of Directors proposed to distribute a cash dividend of RMB0.176 (including tax) per share to all the shareholders without bonus shares, and without new shares being issued by way of conversion of capital reserve. Based on the Company's total share capital of 5,392,521,000 shares as at 31 December 2024, after deducting the 24,646,000 shares that were repurchased between 15 January 2024, and 31 January 2024, the adjusted share capital was 5,367,875,000 shares. The calculation of the amount based on this adjusted share capital was approximately RMB944,746,000. 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 recognised as liabilities at the balance sheet date.

(2) Ultra short-term financing bonds and medium-term notes issued after the balance sheet date

On 14 January 2025, the Company completed the issuance of the first phase of ultra short term financing bonds in 2025. The raised funds have been received on 15 January 2025. The amount of issuance is RMB1 billion, the annual interest rate of issuance is 1.76%, and the issuance period is 155 days, which is used to repay the upcoming bank loans and debt financing instruments of the Company.

On 20 January 2025, the Company completed the issuance of the first phase of medium-term notes in 2025 and the second phase of medium-term notes in 2025. The raised funds have been received on 21 January 2025, with a total issuance amount of RMB2 billion, of which RMB0.6 billion is used for the Company and its subsidiaries to supplement working capital, and RMB1.4 billion is used for the Company to repay maturing debt financing instruments.

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XV. OTHER IMPORTANT MATTERS

1. Segment reporting

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, eight reportable segments are identified by the Group including: containers manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport facilities and logistics equipment, fire safety and rescue equipment, logistics services, finance and asset management and recycled load business. 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 reviews assets, liabilities, revenue, expenses and operating results of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include current assets of each segment, such as tangible assets, intangible assets, other long-term assets and receivables, but exclude deferred income tax assets and other unallocated headquarters assets. Segment liabilities include payables, bank borrowings, provisions and other liabilities of each segment, while deferred income tax liabilities are excluded.

Segment operating results represent segment revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation and impairment losses attributable to assets of each segment, net interest expenditure generated from bank deposits and bank borrowings directly attributable to each segment. Transactions conducted among segments are under similar non-related party transaction commercial terms.

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XV. OTHER IMPORTANT MATTERS (Continued)

1. Segment reporting (Continued)

(1) Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that 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 management of the Group on a regular basis:

Item	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport facilities and logistics equipment, fire safety and rescue equipment	Logistics services	Finance and asset management	Recycled load	Others	Elimination between segments	Total
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
Revenue from external customers	61,530,475	20,755,311	25,442,572	16,392,817	7,091,413	31,189,788	2,077,480	2,355,873	10,828,369	-	177,664,098
Inter-segment revenue	674,728	242,890	136,919	163,146	101,688	199,553	1,042	73,482	1,155,020	(2,748,468)	-
Cost of sales	52,505,891	17,571,338	22,046,149	15,048,245	5,718,463	29,450,699	2,239,986	2,189,995	10,626,125	(1,979,553)	155,417,338
Investment income/(loss) in associates and joint ventures	(22,672)	10,383	9,879	(84,106)	37	65,262	(1,024)	28	(12,055)	-	(34,268)
Asset impairment losses and credit impairment losses	375,558	230,638	24,109	109,346	74,685	75,117	2,683	21,937	(15,000)	8,963	908,036
Depreciation and amortisation expenses	789,555	589,106	517,318	328,176	138,184	199,126	1,156,398	171,552	134,393	28,146	4,051,954
Interest income	256,698	163,204	189,523	9,577	9,214	7,204	311,850	3,251	2,004,619	(2,471,930)	483,210
Interest expenses	56,071	29,612	127,895	613,946	76,786	88,599	1,647,209	22,960	1,860,325	(2,483,799)	2,039,604
Segment operating profit/(loss)	5,425,683	1,428,061	1,070,362	242,437	320,729	571,903	(1,670,613)	(222,585)	(1,149,627)	578,897	6,595,247
Income tax expenses	1,337,379	346,882	338,557	18,359	55,994	135,316	133,776	6,371	22,284	5,172	2,400,090
Net profit/(loss)	4,088,304	1,081,179	731,805	224,078	264,735	436,587	(1,804,389)	(228,956)	(1,171,911)	573,725	4,195,157
Segment total assets	41,957,563	22,369,315	29,699,689	21,264,349	10,541,045	8,687,029	38,519,760	3,760,563	65,825,980	(67,873,057)	174,752,236
Segment total liabilities	21,846,780	7,642,122	17,348,319	24,004,865	6,837,634	5,702,632	46,947,144	2,019,202	44,720,109	(70,336,373)	106,732,434
Supplementary information:											
- Segment non-cash expenditures other than depreciation and amortisation	305,680	195,743	47,586	62,682	96,877	95,334	195,457	24,271	214,335	490	1,238,455
Long-term equity investment of associates and joint ventures	609,702	148,834	660,962	402,689	123	474,411	42,780	-	9,677,373	-	12,016,874
Increase in other non-current assets other than long-term equity investments, financial assets and deferred tax assets	1,677,334	519,329	1,105,610	233,375	164,504	93,137	174,023	580,624	325,559	(70,615)	4,802,880

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XV. OTHER IMPORTANT MATTERS (Continued)

1. Segment reporting (Continued)

(1) Segment profits, losses, assets and liabilities (Continued)

Item	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport facilities and logistics equipment, fire safety and rescue equipment	Logistics services	Finance and asset management	Recycled load	Others	Elimination between segments	Total
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
Revenue from external customers	29,327,434	24,891,432	24,974,378	10,243,732	6,931,147	19,766,755	2,217,550	2,826,269	6,777,657	(146,835)	127,809,519
Inter-segment revenue	885,908	195,146	51,916	207,856	30,308	399,294	605	8,070	1,295,040	(3,074,143)	-
Cost of sales(restated)	25,416,240	20,416,694	21,177,752	9,515,598	5,540,084	18,757,627	2,684,912	2,498,281	7,225,737	(2,789,804)	110,443,121
Investment income/(loss) in associates and joint ventures	2,408	6,074	24,145	(9,038)	3,619	68,390	(7,018)	672	109,519	-	198,771
Asset impairment losses and credit impairment losses	42,350	196,227	45,670	239,012	116,921	10,655	58,088	2,908	(691)	(40,217)	670,923
Depreciation and amortisation expenses	722,329	583,071	415,488	273,388	133,066	202,272	1,083,380	172,634	122,280	(122,776)	3,585,132
Interest income	269,013	121,707	119,411	21,827	7,122	11,945	240,060	8,375	2,282,031	(2,754,497)	326,994
Interest expenses	25,462	37,318	101,995	462,422	89,300	50,530	1,959,635	19,780	1,941,904	(2,745,414)	1,942,932
Segment operating profit/(loss)	2,072,566	3,260,765	1,205,426	(285,333)	290,352	237,218	(2,362,968)	(65,994)	23,732	(1,541,590)	2,834,174
Income tax expenses	278,229	813,004	351,434	(254,570)	68,236	50,057	78,352	8,348	(139,620)	(282,670)	970,800
Net profit/(loss)	1,794,337	2,447,761	853,992	(30,763)	222,116	187,161	(2,441,320)	(74,342)	163,352	(1,258,920)	1,863,374
Segment total assets	31,796,930	23,571,321	27,848,984	18,496,530	9,863,473	7,469,299	38,274,803	3,682,239	57,170,506	(56,410,852)	161,763,233
Segment total liabilities	14,201,569	8,284,052	16,174,600	21,302,362	6,465,634	4,489,509	44,571,992	1,711,072	49,181,744	(69,249,651)	97,132,883
Supplementary information:											
- Segment non-cash (income)/expenditures other than depreciation and amortisation	(67,930)	207,668	147,371	312,768	138,665	64,870	47,383	(1,715)	(122,342)	302,546	1,029,284
Long-term equity investment of associates and joint ventures	651,331	132,218	623,408	484,116	86	554,602	51,966	4,137	9,494,992	-	11,996,856
Increase in other non-current assets other than long-term equity investments, financial assets and deferred tax assets	1,725,492	587,632	987,222	561,294	156,424	203,711	36,665	385,011	1,509,331	(169,920)	5,982,862

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XV. OTHER IMPORTANT MATTERS (Continued)

1. 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, deferred tax assets and long-term receivables, same for the below). Revenue from external customers are based on the location at which the services are provided or the goods are 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)

	Total revenue from external customers		Total non-current assets	
	2024	2023	31 December 2024	31 December 2023
China	82,415,289	66,770,299	57,949,428	56,588,690
Asia (except for China)	27,449,650	15,671,885	475,117	424,113
America	36,012,089	23,816,206	9,940,852	10,188,403
Europe	25,453,855	17,953,577	1,354,854	1,756,877
Others	6,333,215	3,597,552	153,828	173,866
Total	177,664,098	127,809,519	69,874,079	69,131,949

XVI. OPERATING LEASE RECEIPTS AFTER THE BALANCE SHEET DATE

As the lessor, the Group's undiscounted amount of lease receipts receivable after the balance sheet date is summarised as follows:

	31 December 2024	31 December 2023
Within 1 year	1,652,518	2,308,322
1 to 2 years	1,148,151	1,390,268
2 to 3 years	202,875	880,767
3 to 4 years	34,096	332,166
4 to 5 years	—	153,826
Over 5 years	—	19,949
Total	3,037,640	5,085,298

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Other receivables

- (1) Other receivables were analysed by categories of customers as follows:

	31 December 2024	31 December 2023
Receivables from related parties	27,210,863	24,770,452
Dividends receivable from subsidiaries	4,066,990	3,944,715
Interest receivable	69,853	70,295
Security deposits	231	236
Others	23,919	49,209
Sub-total	31,371,856	28,834,907
Less: Provision for bad debts	(4,580)	(4,580)
Total	31,367,276	28,830,327

The Company had no amounts recognised in other receivables due to centralised management by other parties.

- (2) The ageing analysis of other receivables is as follows:

	31 December 2024	31 December 2023
Within 1 year	15,192,761	17,958,826
1 to 2 years	6,523,614	5,774,696
2 to 3 years	4,583,125	389,235
Over 3 years	5,072,356	4,712,150
Sub-total	31,371,856	28,834,907
Less: Provision for bad debts	(4,580)	(4,580)
Total	31,367,276	28,830,327

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Other receivables (Continued)

(3) Loss provision and changes in book value

Provision for bad debts of other receivables is analysed by category as follows:

	31 December 2024				31 December 2023			
	Book value		Provision for bad debts		Book value		Provision for bad debts	
	% of total		Accrual		% of total		Accrual	
	Amount	amount	Amount	rate	Amount	amount	Amount	rate
Provision for bad debts individually assessed (i)	-	-	-	-	-	-	-	-
Provision for bad debts collectively assessed (ii)	31,371,856	100%	4,580	0.01%	28,834,907	100%	4,580	0.02%
Total	31,371,856	100%	4,580	0.01%	28,834,907	100%	4,580	0.02%

	First stage			Third stage				
	12-month ECL		Sub-total	Lifetime ECL		Lifetime ECL		Total
	(collectively assessed)			(suffered credit impairment)		(suffered credit impairment)		
				(individually assessed)		(collectively assessed)		
	Book value	Provision for bad debts	Provision for bad debts	Book value	Provision for bad debts	Book value	Provision for bad debts	Provision for bad debts
31 December 2023	28,830,327	–	–	–	–	4,580	4,580	4,580
Increase in current year	18,961,308	–	–	–	–	–	–	–
Decrease in current year	(16,424,359)	–	–	–	–	–	–	–
Including: Write-off in current year	–	–	–	–	–	–	–	–
31 December 2024	31,367,276	–	–	–	–	4,580	4,580	4,580

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Other receivables (Continued)

(3) Loss provision and changes in book value (Continued)

	First stage			Third stage				
	12-month ECL (collectively assessed)		Sub-total	Lifetime ECL (suffered credit impairment) (individually assessed)		Lifetime ECL (suffered credit impairment) (collectively assessed)		Total
	Book value	Provision for bad debts		Book value	Provision for bad debts	Book value	Provision for bad debts	
31 December 2022	25,114,528	-	-	1,352,086	1,352,086	4,580	4,580	1,356,666
Increase in current year	18,038,448	-	-	-	-	-	-	-
Decrease in current year	(14,322,649)	-	-	(1,352,086)	(1,352,086)	-	-	(1,352,086)
Including: Write-off in current year	-	-	-	(1,352,086)	(1,352,086)	-	-	(1,352,086)
31 December 2023	28,830,327	-	-	-	-	4,580	4,580	4,580

As at 31 December 2024 and 31 December 2023, the Company had no other receivables that were recognised at the second stage. Other receivables recognised at the first and the third stages were as follows:

- (i) As at 31 December 2024 and 31 December 2023, the provision for bad debts of other receivables collectively assessed in the first stage was as follows:

	31 December 2024			31 December 2023		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Receivables from related parties	27,210,863	-	-	24,770,452	-	-
Dividends receivable	4,066,990	-	-	3,944,715	-	-
Interest receivable	69,853	-	-	70,295	-	-
Security deposits	231	-	-	236	-	-
Others	19,339	-	-	44,629	-	-
Total	31,367,276	-		28,830,327	-	

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1. Other receivables (Continued)

(3) Loss provision and changes in book value (Continued)

- (ii) As at 31 December 2024, the provision for bad debts of other receivables collectively assessed in the third stage was as follows:

	Book value	Lifetime ECL rate	Provision for bad debts
Collectively assessed			
Others	4,580	100.00%	4,580

- (4) As at 31 December 2024, the five largest balances of other receivables were analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
CIMC Hong Kong	Fund transfer, dividends receivable and daily transfer	10,893,936	Within 1 year, 1 to 2 years, over 3 years	34.73%	–
SCIMC	Fund transfer, dividends receivable	5,111,058	Within 1 year, 1 to 2 years, over 3 years	16.29%	–
Fortune	Fund transfer, daily transfer	9,690,585	Within 1 year, 1 to 2 years	30.89%	–
CIMC Investment	Fund transfer, dividends receivable and daily transfer	1,370,334	Within 1 year, 1 to 2 years, 2 to 3 years	4.37%	–
Tianjin Kaisheng Marine Engineering Equipment Leasing Co., Ltd	Fund transfer	1,260,751	Within 1 year, 2 to 3 years	4.02%	–
Total		28,326,664		90.30%	–

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Other receivables (Continued)

(4) (Continued)

As at 31 December 2023, the five largest balances of other receivables were analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
CIMC Hong Kong	Fund transfer, dividends receivable and daily transfer	15,284,026	Within 1 year, 1 to 2 years	53.01%	–
SCIMC	Fund transfer, dividends receivable	5,561,747	Within 1 year	19.29%	–
Fortune	Fund transfer, daily transfer	2,278,079	Within 1 year, over 3 years	7.90%	–
CIMC Investment	Fund transfer, daily transfer	1,504,334	Within 1 year, 1 to 3 years, over 3 years	5.22%	–
CIMC Raffles	Fund transfer	1,004,116	Within 1 year, 1 to 2 years	3.48%	–
Total		25,632,302		88.90%	–

(5) Receivables from related parties

	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Associates	76,432	0.24%	75,795	0.26%
Receivables from subsidiaries	27,134,431	86.49%	24,694,657	85.64%
Total	27,210,863	86.73%	24,770,452	85.90%

(6) Other receivables derecognised due to transfer of financial assets

For the year ended 31 December 2024, there were no other receivables derecognised due to transfer of financial assets of the Company (For the year ended 31 December 2023: Nil).

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	31 December 2024	31 December 2023
Subsidiaries (2)	14,841,832	14,415,956
Associates (3)	2,274,985	2,222,441
Less: Provision for impairment of long-term equity investments	—	—
Total	17,116,817	16,638,397

There is no restriction on sale of the long-term equity investments held by the Company.

(2) Subsidiaries:

Investee	31 December 2023	Increase in investments	Decrease in investments	Classified as held for sale	31 December 2024	Shareholding (%)	Voting rights (%)	Impairment provision at the end of the year	Cash dividends declared in current year
						(Direct)	(Direct+ Indirect)		
SCIMC	480,472	—	(249,147)	—	231,325	100.00%	100.00%	—	—
CIMC Hong Kong	1,690	—	—	—	1,690	100.00%	100.00%	—	—
CIMC SD	165,074	—	—	—	165,074	100.00%	100.00%	—	—
CIMC Vehicles	1,038,668	—	—	—	1,038,668	36.10%	55.78%	—	203,964
CIMC Training	48,102	—	—	—	48,102	100.00%	100.00%	—	—
Finance Company	893,818	385,689	—	—	1,279,507	100.00%	100.00%	—	—
Shenzhen CIMC Investment Co. Ltd ("CIMC Investment")	140,000	70,188	(70,188)	—	140,000	100.00%	100.00%	—	70,188
Container Holding	5,043,682	1,590,341	—	—	6,634,023	100.00%	100.00%	—	749,338
COOPERATIE CIMC U.A	205,022	—	—	—	205,022	99.00%	100.00%	—	—
CIMC Wetrans Logistics	1,216,294	—	—	—	1,216,294	62.70%	62.70%	—	200,640
MEA	441,800	—	—	—	441,800	100.00%	100.00%	—	—
Fortune	67,755	—	—	—	67,755	100.00%	100.00%	—	—
Guangdong Jiliu Investment Consulting Co., Ltd.	30,000	—	(30,000)	—	—	0.00%	0.00%	—	—
CIMC Technology	1,576,580	—	(1,576,580)	—	—	0.00%	0.00%	—	—
CIMC Capital	1,250,000	—	—	—	1,250,000	100.00%	100.00%	—	—
CIMC Unit Load	500,000	305,573	—	—	805,573	63.58%	63.58%	—	—
CIMCSV	1,316,999	—	—	—	1,316,999	100.00%	100.00%	—	—
Total	14,415,956	2,351,791	(1,925,915)	—	14,841,832	—	—	—	1,224,130

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Long-term equity investments (Continued)

(3) Associates:

Investee	31 December 2023	Increase in current year	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Declared cash dividends or profits	Decrease in investments	31 December 2024	Shareholding (%) (Direct)	Voting rights (%) (Direct+ Indirect)	Impairment provision
CIMC CAPITAL Ltd.	1,059,418	55,513	90,813	20,179	(26,309)	-	1,199,614	22.57%	46.68%	-
CIMC Xinde Leasing (Shenzhen) Co., Ltd.	412,660	-	18,280	3,365	-	-	434,305	40.00%	67.26%	-
C&C Trucks Co., Ltd.	750,363	-	(109,297)	-	-	-	641,066	35.42%	35.42%	-
Total	2,222,441	55,513	(204)	23,544	(26,309)	-	2,274,985	-	-	-

3. Revenue and cost of sales

(1) Revenue and cost of sales

	2024	2023
Revenue from other operations	552,088	172,650
Cost of sales from other operations	-	-

(2) Revenue and cost of sales from other operations

	2024		2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	522,765	-	137,908	-
Others	29,323	-	34,742	-
Total	552,088	-	172,650	-

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XVII. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Investment income

	2024	2023
Income from long-term equity investments under cost method	1,224,130	2,692,331
Gains from disposals of long-term equity investments	2,152	—
Interest income and others	481,676	590,528
losses from long-term equity investments under equity method	(204)	(3,447)
Dividend income from other equity investments	78,093	78,644
Investment loss from disposals of derivative financial assets	(237,109)	(225,166)
Investment income from disposals of financial assets/liabilities held for trading	43,658	9,119
Total	1,592,396	3,142,009

5. Losses on changes in fair value

	2024	2023
Commitment to minority shareholders (Note V.3(3))	(1,413,164)	—
Others	5,836	(4,199)
Total	(1,407,328)	(4,199)

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XVIII. STATEMENT OF NON-RECURRING PROFIT OR LOSS OF 2024

	2024	2023
Gains/(losses) on disposal of non-current assets	25,707	(21,451)
Government grants recognised in profit or loss for the current period	454,023	580,916
Gains or losses from changes in fair value arising from holding financial assets, and gains or losses arising from disposal of 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 operating activities	(1,243,275)	(1,331,486)
Reversal of impairment provision for accounts receivable tested for impairment separately	19,315	34,487
Net gains from disposal of long-term equity investment	23,482	89,449
Other non-operating income other than the above items	131,043	37,252
Less: Effect of income tax	(145,936)	(168,219)
Effect of minority interests (after tax)	34,592	(198,561)
Total	(478,361)	(244,053)

Note: The above-mentioned non-recurring profit or loss items are presented as pre-tax.

(1) Basis for preparation of statement of non-recurring profit or loss of 2024

In 2024, the China Security Regulatory Commission issued the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit or Loss [2024] (the “**Explanatory Announcement No. 1 [2024]**”), which has come into effect since the date of issuance. The Group prepared the statement of non-recurring profit or loss of 2024 in accordance with the provisions in the Explanatory Announcement No. 1 [2024].

Under the Explanatory Announcement No. 1 [2024], non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, 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 an enterprise.

The requirements in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit or Loss [2024] issued by the China Security Regulatory Commission in 2024 have no significant impact on the Group's non-recurring profit or loss of 2024 and 2023 recognised.

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XIX. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the 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) and relevant requirements of accounting standard, the calculation of return on net assets and earnings per share of the Company is listed as follows:

	Weighted average return on net assets (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2024	2023	2024	2023	2024	2023
Net profit attributable to ordinary shareholders of the Company	6%	1%	0.53	0.07	0.53	0.05
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	7%	1%	0.62	0.11	0.62	0.10

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