

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國國際海運集裝箱(集團)股份有限公司

**CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.**

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

**(H Share Stock Code: 2039)**

**(A Share Stock Code: 000039)**

## **RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022 (SUMMARY OF THE 2022 ANNUAL REPORT)**

### **1 IMPORTANT NOTICE**

- 1.1** The board of directors (the “**Board**”), the supervisory committee (the “**Supervisory Committee**”) and the directors (the “**Directors**”), supervisors (the “**Supervisors**”) and senior management of China International Marine Containers (Group) Co., Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”, or “**CIMC**”) warrant that there are no misrepresentations, misleading statements or material omissions contained in this results announcement for the year ended 31 December 2022 (the “**Announcement**”), and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this summary of the annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”).

The Announcement is published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cimc.com](http://www.cimc.com)). The Announcement is a summary of the 2022 Annual Report and the full version of the 2022 Annual Report will be posted on the above websites in due course.

- 1.2** The 2022 Annual Report and the Announcement have been considered and approved at the fourth meeting of the tenth session of the Board of the Company in 2023 (the “**Board Meeting**”). All Directors have attended the Board Meeting to consider the Announcement. Mr. DENG Weidong (director) authorized Mr. HU Xianfu (Vice-chairman) to exercise voting rights on his behalf.

- 1.3** The financial statements of the Group have been prepared in accordance with China Accounting Standards for Business Enterprises (“**CASBE**”), and there were no changes in accounting policies, accounting estimates or calculation methods, or accounting discrepancies in the latest financial year. The financial statements of the Group for the year ended 31 December 2022, which have been prepared in accordance with CASBE, have been audited by PricewaterhouseCoopers Zhong Tian LLP (“**PricewaterhouseCoopers**”), who has issued an audit report with unqualified opinions on the financial statements. The financial figures set out in the Group’s audited consolidated financial statements for the year ended 31 December 2022 have been agreed by PricewaterhouseCoopers, which are consistent with the amounts contained in the Announcement set out in the Group’s consolidated balance sheet, consolidated income statement and the related notes thereon for the year ended 31 December 2022. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with “Hong Kong Standards on Auditing”, “Hong Kong Standards on Review Engagements” or “Hong Kong Standards on Assurance Engagements” issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the Announcement.
- 1.4** Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board and CEO, and Mr. ZENG Han, Chief Financial Officer, person-in-charge of accounting affairs and head of the accounting department, hereby warrant the truthfulness, accuracy and completeness of the financial report in the Announcement.
- 1.5** The proposed profit distribution plan for 2022 of the Company as considered and approved by the Board Meeting is based on the total share capital of the Company as at the record date of dividend payment for 2022. A cash dividend of RMB0.18 (tax inclusive) per one share will be distributed to all shareholders, no bonus shares will be issued and no shares will be converted from capital reserve into share capital. The proposed dividend is expected to be payable on or around 18 August 2023. The proposed profit distribution plan for 2022 shall be submitted to the Company’s annual general meeting for consideration and approval.
- 1.6** The forward-looking statements in this Announcement 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.
- 1.7** The reporting period (the “**Reporting Period**”) means the twelve months started from 1 January 2022 and ended on 31 December 2022.
- 1.8** The Announcement is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

## 2 SUMMARY OF OPERATING RESULTS

### 2.1 Key Accounting Data of the Group for the Last Five Years

*Unit: RMB thousand*

Consolidated Income Statement Items	2022	2021	For the year ended 31 December			
			Changes from the previous year to this year	2020	2019	2018
Revenue	<b>141,536,654</b>	163,695,980	(13.54%)	94,159,083	85,815,341	93,497,622
Operating profit	<b>7,505,208</b>	13,471,549	(44.29%)	7,439,627	5,838,747	6,477,005
Profit before income tax	<b>6,937,851</b>	13,295,059	(47.82%)	7,290,406	5,613,874	6,683,558
Income tax expense	<b>2,336,709</b>	4,934,291	(52.64%)	1,278,666	3,103,761	2,615,103
Net profit	<b>4,601,142</b>	8,360,768	(44.97%)	6,011,740	2,510,113	4,068,455
Including:						
Net profit attributable to shareholders and other equity holders of the Company	<b>3,219,226</b>	6,665,323	(51.70%)	5,349,613	1,542,226	3,380,436
Profit or loss attributable to minority shareholders	<b>1,381,916</b>	1,695,445	(18.49%)	662,127	967,887	688,019
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss	<b><u>4,283,631</u></b>	<u>5,473,060</u>	<u>(21.73%)</u>	<u>342,887</u>	<u>1,241,479</u>	<u>2,258,609</u>

*Unit: RMB thousand*

<b>Consolidated Balance Sheet Items</b>	<b>2022</b>	2021	<b>As at 31 December</b>			
			Changes from the previous year to this year	2020	2019	2018
Total current assets	<b>76,984,186</b>	81,457,379	(5.49%)	67,141,741	90,023,127	81,902,959
Total non-current assets	<b>68,915,763</b>	72,865,122	(5.42%)	79,069,770	82,084,394	76,981,004
Total assets	<b>145,899,949</b>	154,322,501	(5.46%)	146,211,511	172,107,521	158,883,963
Total current liabilities	<b>62,998,154</b>	69,422,602	(9.25%)	60,895,028	70,551,310	73,137,289
Total non-current liabilities	<b>20,245,711</b>	27,919,809	(27.49%)	31,462,639	46,518,233	33,343,686
Total liabilities	<b>83,243,865</b>	97,342,411	(14.48%)	92,357,667	117,069,543	106,480,975
Total equity attributable to Shareholders	<b>62,656,084</b>	56,980,090	9.96%	53,853,844	55,037,978	52,402,988
Equity attributable to shareholders and other equity holders of the Company	<b>48,613,429</b>	45,118,633	7.75%	44,017,516	39,253,886	37,324,999
Minority interests	<b>14,042,655</b>	11,861,457	18.39%	9,836,328	15,784,092	15,077,989

*Unit: RMB thousand*

<b>Consolidated Cash Flow Statement Items</b>	<b>2022</b>	2021	<b>For the year ended 31 December</b>			
			Changes from the previous year to this year	2020	2019	2018
Net cash flows from operating activities	<b>14,617,466</b>	20,574,655	(28.95%)	12,810,486	3,538,522	140,732
Net cash flows from investing activities	<b>(6,257,577)</b>	(2,843,021)	(120.10%)	(3,538,804)	(9,084,157)	(4,401,930)
Net cash flows from financing activities	<b>(9,763,357)</b>	(12,186,978)	19.89%	(6,539,564)	3,613,642	9,295,766

## 2.2 Key Financial Indicators of the Group for the Last Five Years

Key Financial Indicators	2022	2021	Changes from	2020	2019	2018
			the previous year to this year			
Basic earnings per share attributable to shareholders of the Company (RMB)	<b>0.59</b>	1.20	(50.83%)	0.94	0.25	0.61
Diluted earnings per share attributable to shareholders of the Company (RMB)	<b>0.57</b>	1.20	(52.50%)	0.94	0.25	0.61
Net cash flows from operating activities per share (RMB)	<b>2.71</b>	3.82	(29.06)	2.38	0.66	0.03
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)	<b>9.01</b>	8.37	7.65%	8.16	7.28	6.92
Weighted average return on net assets (%)	<b>7%</b>	15%	(8%)	14%	4%	10%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	<b>9%</b>	13%	(4%)	0.19%	3%	7%

*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 2018, 2019, 2020 and 2021 have been adjusted for the latest share capital pursuant to the relevant accounting standards.

The total share capital of the Company as of 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 of 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)	55,435
Fully-diluted earnings per share based on the latest share capital (RMB/share) ( <i>Note</i> )	0.59

*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.

## 2.3 Non-recurring Profit or Loss Items of the Group for the Last Three Years

Items	<i>Unit: RMB thousand</i>		
	2022	2021	2020
Gains/(losses) on disposal of non-current assets	221,022	(179,995)	(91,808)
Government grants recognised in profit or loss for the current period	559,249	646,885	712,117
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment gains arising from disposal of investments in other equity instruments, other debt investments and other non-current financial assets and gains or losses from changes in fair values of investment properties subsequently measured at fair value, except for the effective hedging activities relating to the Group's ordinary operating activities	(1,688,159)	1,344,952	544,929
Reversal of impairment provision for accounts receivable tested for impairment separately	32,947	–	27,385
Net (losses)/gains from disposal of long-term equity investment	(208,926)	20,550	4,427,236
Other non-operating income and expenses other than the above items	(563,512)	20,407	(28,845)
Effect of income tax	306,290	(401,972)	(335,163)
Effect of minority interests (after tax)	276,684	(258,564)	(249,125)
Total	<u>(1,064,405)</u>	<u>1,192,263</u>	<u>5,006,726</u>

*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.

### 3 REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

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.

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

According to the latest 2022/23 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 2023 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 2022 Global OEM Ranking List published by the Global Trailer magazine, CIMC Vehicles (Group) Co., Ltd. (“**CIMC Vehicles**”), a subsidiary of the Group, was the world’s No. 1 semi-trailer manufacturer. CIMC TianDa, a subsidiary of the Group, 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.

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 container manufacturing business, road transportation vehicles business and energy, chemical and liquid food equipment business and logistics services business.

*Note:* Commencing from 15 May 2023, C&C Trucks, the main operating entity of our heavy truck business, will cease to be consolidated in the Group, and become an associated company of the Company.

### 3.1 Overview

During the Reporting Period, the Group's revenue amounted to RMB141.537 billion (2021: RMB163.696 billion), representing a year-on-year decrease of 13.54%; the net profit attributable to shareholders and other equity holders of the Company amounted to RMB3.219 billion (2021: RMB6.665 billion), representing a year-on-year decrease of 51.70%; and the basic earnings per share amounted to RMB0.59 (2021: RMB1.20), representing a year-on-year decrease of 50.83%. Among the principal businesses of the Group, the energy, chemical and liquid food equipment business, and the offshore engineering business recorded an increase in revenue, the airport and logistics facilities and fire safety and rescue equipment business and the logistics services business recorded relatively stable revenue, while the container manufacturing business, the road transportation vehicles business, the recycled load business, and the finance and asset management business recorded a decline in revenue.

The financial data set out below is extracted from the audited financial statements of the Group prepared under CASBE. The following discussion and analysis should be read in conjunction with the audited financial statements of the Group and their accompanying notes as set out elsewhere in the Announcement.



## **Revenue, Gross Profit and Gross Profit Margin Analysis by Segment and Region**

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

*Unit: RMB thousand*

Indicators for 2022	Revenue	Percentage of revenue	Changes in revenue from the same period of the previous year	Cost of sales	Percentage of cost of sales	Changes in cost of sales from the same period of the previous year	Gross profit	Gross profit Margin	Changes in gross profit margin from the same period of the previous year
<b>By industry/product</b>									
Container manufacturing	45,710,823	32.30%	(30.71%)	34,942,427	29.14%	(28.77%)	10,768,396	23.56%	(2.08%)
Road transportation vehicles	23,620,612	16.69%	(14.57%)	20,483,415	17.08%	(16.74%)	3,137,197	13.28%	2.26%
Energy, chemical and liquid food equipment	21,250,395	15.01%	8.82%	17,636,553	14.71%	6.77%	3,613,842	17.01%	1.59%
Offshore engineering	5,770,641	4.08%	6.07%	5,373,997	4.48%	(1.63%)	396,644	6.87%	7.28%
Airport facilities and logistics equipment, fire safety and rescue equipment	6,671,922	4.71%	(2.49%)	5,228,335	4.36%	(3.12%)	1,443,587	21.64%	0.51%
Logistics services	29,346,353	20.73%	(0.42%)	27,776,704	23.17%	1.40%	1,569,649	5.35%	(1.70%)
Recycled load	4,849,335	3.43%	(19.40%)	4,053,497	3.38%	(16.84%)	795,838	16.41%	(2.57%)
Finance and asset management	1,708,791	1.21%	(54.59%)	1,669,435	1.39%	(27.10%)	39,356	2.30%	(36.85%)
Others	9,303,947	6.57%	38.46%	8,224,162	6.86%	36.69%	1,079,785	11.61%	1.15%
Elimination between segments	(6,696,165)	(4.73%)	13.04%	(5,476,775)	(4.57%)	26.29%	(1,219,390)	-	-
<b>Total</b>	<b><u>141,536,654</u></b>	<b><u>100%</u></b>	<b><u>(13.54%)</u></b>	<b><u>119,911,750</u></b>	<b><u>100%</u></b>	<b><u>(10.63%)</u></b>	<b><u>21,624,904</u></b>	<b><u>15.28%</u></b>	<b><u>(2.75%)</u></b>
<b>By region (by customer location)</b>									
China	72,874,486	51.49%	(7.48%)	-	-	-	-	-	-
America	27,364,037	19.33%	(0.59%)	-	-	-	-	-	-
Europe	25,939,682	18.33%	(31.86%)	-	-	-	-	-	-
Asia (regions excluding China)	12,522,922	8.85%	(17.62%)	-	-	-	-	-	-
Others	2,835,527	2.00%	(31.41%)	-	-	-	-	-	-
<b>Total</b>	<b><u>141,536,654</u></b>	<b><u>100.00%</u></b>	<b><u>(13.54%)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

*Unit: RMB thousand*

Indicators for 2021	Revenue	Percentage of revenue	Changes in revenue from the same period of the previous year	Cost of sales	Percentage of cost of sales	Changes in cost of sales from the same period of the previous year	Gross profit	Gross profit Margin	Changes in gross profit margin from the same period of the previous year
<b>By industry/product</b>									
Container manufacturing	65,967,311	40.30%	197.64%	49,053,590	36.56%	159.43%	16,913,721	25.64%	10.95%
Road transportation vehicles	27,647,762	16.89%	4.34%	24,600,777	18.33%	6.81%	3,046,985	11.02%	(2.07%)
Energy, chemical and liquid food equipment	19,528,069	11.93%	46.92%	16,517,674	12.31%	48.91%	3,010,395	15.42%	(1.12%)
Offshore engineering	5,440,492	3.32%	0.28%	5,463,000	4.07%	(0.37%)	(22,508)	(0.41%)	0.65%
Airport facilities and logistics equipment, fire safety and rescue equipment	6,841,982	4.18%	12.37%	5,396,581	4.02%	12.60%	1,445,401	21.13%	(0.15%)
Logistics services	29,470,907	18.00%	177.09%	27,393,038	20.42%	177.02%	2,077,869	7.05%	0.02%
Recycled load	6,016,520	3.68%	98.18%	4,874,520	3.63%	85.89%	1,142,000	18.98%	5.36%
Finance and asset management	3,763,431	2.30%	72.81%	2,289,917	1.71%	60.95%	1,473,514	39.15%	4.48%
Others	6,719,787	4.11%	18.12%	6,016,870	4.49%	16.98%	702,917	10.46%	0.87%
Elimination between segments	(7,700,281)	(4.71%)	(154.86%)	(7,430,018)	(5.54%)	(145.59%)	(270,263)	-	-
<b>Total</b>	<b>163,695,980</b>	<b>100.00%</b>	<b>73.85%</b>	<b>134,175,949</b>	<b>100.00%</b>	<b>66.23%</b>	<b>29,520,031</b>	<b>18.03%</b>	<b>3.75%</b>
<b>By region (by customer location)</b>									
China	78,767,602	48.12%	38.85%	-	-	-	-	-	-
America	27,526,278	16.82%	55.00%	-	-	-	-	-	-
Europe	38,066,692	23.25%	165.20%	-	-	-	-	-	-
Asia (regions excluding China)	15,201,328	9.29%	317.43%	-	-	-	-	-	-
Others	4,134,080	2.52%	146.85%	-	-	-	-	-	-
<b>Total</b>	<b>163,695,980</b>	<b>100.00%</b>	<b>73.85%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3.2 Review of the Principal Businesses of the Group during the Reporting Period

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

### ***(I) In logistics field:***

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

The Group's principal business is container manufacturing, which has the capacity to produce a full series of container products with independent intellectual property rights, and 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 Holding Co., Ltd. and its subsidiaries. The Company holds 100% equity interest in CIMC Container Holding Co., Ltd. as at 31 December 2022.

In 2022, the global economic and trade growth momentum weakened due to factors such as high overseas inflation and significant interest rate hikes in Europe and the United States, and the traditional marine container manufacturing market returned to normal. As a result of the slowdown in overall container demand, coupled with the impact of falling raw material prices and other factors, new container prices and sales volume for the year fell from a historical high in 2021, but remained at a relatively good level.

As a result, during the Reporting Period, the production and sales volume of the Group's container manufacturing business witnessed a decline compared to the historical high in 2021, but still maintained a relatively good profitability. Among which, the accumulated sales volume of dry containers reached 1,107,300 TEUs (same period in 2021: 2,511,300 TEUs), representing a year-on-year decrease of approximately 55.91%. The accumulated sales volume of reefer containers reached 131,400 TEUs (same period in 2021: 148,300 TEUs), representing a year-on-year decrease of approximately 11.40%. The container manufacturing business of the Group recorded a revenue of RMB45,711 million (same period in 2021: RMB65,967 million), representing a year-on-year decrease of 30.71%. The sales revenue of ordinary dry containers reached RMB28,240 million (2021: RMB49,715 million), representing a year-on-year decrease of 43.20%; the sales revenue of reefer containers amounted to RMB5,161 million (2021: RMB5,178 million), representing a year-on-year decrease of 0.33%; and the container manufacturing business of the Group achieved a net profit of RMB5,258 million (same period in 2021: RMB11,327 million), representing a year-on-year decrease of 53.58%.

In 2022, the Group implemented the concept of "excellent operation, innovation and breakthrough" in its container manufacturing business and carried out strategic and organizational upgrades. Trough focusing on the container business and various innovative business fields, the Group kept abreast with the market and forged ahead, promoting various strategic initiatives, continuously optimizing the management foundation, so as to effectively implement the management work and continuously improve the quality of operations.

### ***Expand the 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, in which the Group held approximately 56.09% equity interest as at 31 December 2022. The main businesses of CIMC Vehicles include: (1) seven major categories of semi-trailer products business conducted in the four major markets worldwide, which include skeletal container semitrailers, flatbed trucks and their derivatives, curtain side semi-trailers, van semi-trailers, refrigerated semi-trailers, tank semi-trailers and other special types of semitrailers; (2) truck bodies for specialty vehicle products business conducted in China, which include the manufacture of urban muck truck bodies and concrete mixer truck bodies and sales of fully-assembled vehicles; and (3) the production of light van bodies and sale of full-assembled trucks of light vans, which include refrigerated van bodies and dry cargo distribution van bodies.

During the Reporting Period, CIMC Vehicles recorded strong performance in overseas market due to the advantage of its overseas operations, while in the domestic market, it witnessed a decline in revenue due to the downturn in the commercial vehicle market, but the overall performance was solid. CIMC Vehicles achieved a revenue of RMB23,621 million (same period in 2021: RMB27,648 million), representing a year-on-year decrease of 14.57%; and a net profit of RMB1,114 million (same period in 2021: RMB988 million), representing a year-on-year increase of 12.75%. The main details are as follows:

- (1) **Global semi-trailer business:** The sales of CIMC Vehicles' semi-trailers of various types amounted to 127,528 (same period in 2021: 138,166) around the world, and revenue from the global semi-trailer business amounted to RMB18,141 million (same period in 2021: RMB15,276 million), representing a year-on-year increase of 18.75%.
  - **In terms of the domestic market,** according to China Association of Automobile Manufacturers (CAAM), in 2022, CIMC Vehicles remained the top seller of semi-trailers in China for four consecutive years, with its market share continuing to expand. During the Reporting Period, the performance of commercial logistics vehicles was under pressure due to the sluggish demand for freight transportation. However, with the full recovery of the national freight logistics, the market demand will gradually pick up. In the long term, driven by both policy and market factors, there are opportunities for change in the domestic semi-trailer industry, with prominent concentration effect at the top level.
  - **In terms of the overseas market,** the sales volume of multi-category semi-trailers of CIMC Vehicles ranked at the forefront in the North American and European market. Thanks to the strong demand for freight transportation in overseas market, new demand and replacement demand drove a surge in orders for road logistics vehicles. CIMC Vehicles proactively captured business growth opportunities, with revenue from the North American semi-trailer business increasing by 134.27% to RMB9,605 million and gross profit margin increasing by 7.84 percentage points to 17.55%, resulting in a record high profit; and revenue from the European semi-trailer business grew steadily due to successful transformation.

- (2) **Specialty vehicles business:** CIMC Vehicles ranked at the forefront in terms of sales volume of concrete mixers and urban muck trucks for years. Although the industry demand was under pressure, the leading advantage of CIMC Vehicles remained stable. In 2022, truck bodies for specialty vehicles business and sales of fully-assembled vehicles realised a revenue of RMB2,367 million (same period in 2021: RMB9,210 million), representing a year-on-year decrease of 74.30%. During the period, due to the slowdown of domestic infrastructure and real estate investment, the demand of domestic construction machinery market remained at a low level. However, the new energy heavy truck market is growing against the trend, and CIMC Vehicles has actively carried out joint development strategies with OEMs to promote the application of new energy heavy trucks in short- and medium-distance transportation, engineering construction and urban traffic.
- (3) **Light van bodies:** In 2022, 7,696 light van bodies (including refrigerated van bodies and dry cargo distribution van bodies) (same period in 2021: 9,115) were sold in China by CIMC Vehicles, and realised a revenue of RMB228 million (same period in 2021: RMB311 million), representing a year-on-year decrease of 26.88%. The logistics market remained sluggish, and the overall demand for light trucks slowed down under the influence of a series of factors such as environmental restrictions and excess transportation capacity. The TB (太字節) business group under CIMC Vehicles actively adjusted its target market and product structure to grasp the incremental opportunities for new energy products. During the year, it entered into strategic cooperation with a number of leading new energy companies and achieved sales growth in the new energy market despite the downturn.

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

Through its subsidiary CIMC-TianDa Holdings Company Limited (“**CIMC TianDa**”), the Group is engaged in the business of airport and logistics equipment, fire safety and rescue equipment. As at 31 December 2022, the Group held approximately 58.33% equity interest in CIMC Tianda. Airport and logistics facilities 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 Reporting Period, the revenue and net profit of CIMC Tianda remained basically flat in 2022. The airport and logistics facilities and fire safety and rescue equipment businesses of the Group achieved a revenue of RMB6,672 million (2021: RMB6,842 million), representing a year-on-year decrease of 2.49%, and a net profit of RMB197 million (2021: RMB193 million) was recorded, representing a year-on-year increase of 2.21%.

As the aviation and fire rescue industries continue to develop towards “smart airports” and “smart fire safety”, related equipment has entered a new round of competition for intelligent and electric upgrade. The world’s first unmanned boarding bridge developed by CIMC Tianda has been successfully installed at Amsterdam Airport Schiphol and Chengdu Tianfu Airport, demonstrating the leading level of intelligent technology products of CIMC Tianda in the industry. CIMC Tianda has also successfully developed the world’s first all-electric airport express fire truck, realising the high efficiency and energy saving of airport express fire trucks, which is in line with the market trend of comprehensive conversion of oil to electricity in airports. During the year, CIMC Tianda overcame the impact of the air access policy and actively explored the market, achieving steady growth in the number of orders on hand.

### ***Leverage the logistics services business***

CIMC Wetrans Logistics Technology (Group) Co., Ltd. (“**CIMC Wetrans**”), the main operating entity of the Group’s logistics services business, is committed to becoming a leader in multimodal transport industry in the PRC with “equipment + technology” at its core. As at 31 December 2022, the Group held 62.70% equity interest in CIMC Wetrans. CIMC Wetrans provides shippers with reliable, professional, flexible and personalised integrated end-to-end logistics service solutions. Currently, the major customers of the Group’s logistics services are mainly operated in the photovoltaic, energy and chemical, and machinery industries, etc.. In the future, this business will focus on developing major customers in the home appliance, new energy (photovoltaic), building materials, steel, automobile and chemical industries, and help customers with their overseas strategies through customised, professional and flexible integrated logistics solutions.

In 2022, there were fewer growth drivers for the global economy and trade as compared to 2021. In spite of this, the import and export trade of China maintained resilience in general and achieved stable growth. In terms of domestic policies, China issued the Development Plans for Modern Comprehensive Transport Hub System in the 14th Five-Year Plan Period (《現代綜合交通樞紐體系「十四五」發展規劃》), the Notice on Supporting the Consolidation and Improvement of Logistic Chains of Comprehensive National Freight Hubs (《關於支持國家綜合貨運樞紐補鏈強鏈的通知》) and the Opinions on Accelerating the Construction of Key Projects of Comprehensive National Transport Network (《關於加快建設國家綜合立體交通網主骨架的意見》), successively, to support the development of multimodal transport and speed up the construction of a modern logistic system. In terms of international development, the Regional Comprehensive Economic Partnership (RCEP) has officially come into effect, bring opportunities for China's export logistic in foreign trade.

During the Reporting Period, the logistics services business has taken the lead in China in terms of its layout of global network and operation scale. The logistics services business of the Group realised a revenue of RMB29,346 million (same period in 2021: RMB29,471 million), representing a year-on-year decrease of 0.42%. In particular, in respect of the multimodal transport business, the maritime shipping routes achieved global coverage, and possessed leading competitiveness in the industry, pushing up business volume of maritime shipping business to approximately 1.9 million TEU over the same period last year, a number of new self-operated sea-railway lines, and over a hundred of railway lines from China to Central Asia and Europe were added to the railway lines, the international railway business volume achieved a significant growth, with the overall railway business volume remaining at 300,000 TEU, and air transportation lines had a number of new quality overseas agencies to improve its overseas layout gradually and form a business size of over 90,000 tonnes. When it comes to specialised logistics, the Group made a strategic investment in Hechuan Logistics, which, in combination with its investment in reefer containers and cooperation with the government, laid a solid foundation for opening the two-way channel for cold chain cross-border logistics. For yard and value-added service business, the Group deepened its cooperation with leading shipping companies, ports and railways, accelerated the development of multimodal transport collection and distribution system and the establishment of global multilink network hubs, and implemented the Jiangmen Inland Port Project jointly developed with Yantian International to provide more convenient and flexible container pick up services to export companies in Jiangmen. In 2022, CIMC Wetrans recorded a net profit of RMB375 million (same period in 2021: RMB542 million), representing a year-on-year decrease of 30.72%.

During the Reporting Period, CIMC Wetrans ranked No. 6 among the Top 100 Freight Forwarding and Logistics Companies in terms of comprehensive strength, and ranked No. 3 in sea transportation and No. 4 in road transportation on the list of Top 50 Sea, Road and Air Transportation Companies officially released by China International Freight Forwarders Association, demonstrating the enhancing strength and recognition of CIMC Wetrans in the industry. Meanwhile, CIMC Wetrans continued to increase its investment in technology. The "Case for Intelligent Management of Containers" (集裝箱智能化管理案例) was selected as one of the "2022 Top 30 Innovative Cases in the Port and Shipping Industry (2022港航物流業TOP30創新案例)".

***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 neutral, 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, rubber and bulk commodities, etc.. The recycled load business is carried out through CIMC Transportation Technology, in which the Group held approximately 63.58% equity interest as at 31 December 2022. In the context of carbon neutral, replacing traditional disposable packaging with recyclable packaging can provide a feasible carbon emission reduction logistics solution for the industry while reducing costs and increasing efficiency. Meanwhile, through the shared leasing operation model, enterprises can flexibly choose between dynamic leasing and static leasing, further reducing the threshold for their use of recycled loads, and activating the medium-and-long-tailed markets. During the period, the shared operation service business continued to penetrate into final assemblers and first-tier suppliers of the automobile, consumer, chemical and other industries. In order to meet the growing demand of the leasing market in future, CIMC Transportation Technology continued to launch recycled loads to the market during the year. During the period, CIMC Transportation Technology's service network followed the deployment of customers' supply chains, realized coverage of major cities in China and independently developed the "Tianluo" platform through application of Internet of Things and other technologies, so as to realize digital management and operation at the single-box level of resource pools and further enhance customer leasing experience.

In 2022, as Dalian CIMC Logistics Equipment Co., Ltd. was reclassified from the recycled load to the containers manufacturing due to the internal organizational structure adjustment of the Group, the recycled load business of the Group realised a revenue of RMB4,849 million (same period in 2021: RMB6,017 million), representing a year-on-year decrease of 19.40%, and recorded a net profit of RMB287 million (same period in 2021: RMB577 million), representing a year-on-year decrease of 50.21%. (1) In terms of R&D and manufacturing business: with respect to domestic business, we continued to get involve in new energy industries (such as power battery and energy storage battery) and the express industry. The problem of limited production capacity was resolved with the launch of new production lines in the third quarter. Overseas business has achieved good growth in the field of rubber containers. (2) In terms of shared operation services and comprehensive solutions and other services: affected by the stagnant commercial vehicle market in China, the recycled load business of automobile parts has declined. However, the Group actively expanded its business in the photovoltaic and household appliances industries, successfully introduced leading photovoltaic enterprises and achieved the large-scale operation of the household appliances industries with the percentage of revenue for the period exceeding 10%.



## **(II) In energy field:**

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

The Group's energy, chemical and liquid food equipment business segment is principally engaged in the design, development, manufacturing, engineering, sales and operations of various transportation, storage and processing equipment widely used in three sectors, namely energy, chemical and liquid food equipment, as well as provision of relevant technical and maintenance services. The main operating entity is CIMC Enric Holdings Limited ("CIMC Enric"), in which the Group held approximately 67.59% equity interest as at 31 December 2022.

During the Reporting Period, the Group's energy, chemical and liquid food equipment business recorded a revenue of RMB21,250 million (2021: RMB19,528 million), representing a year-on-year increase of 8.82%; the net profit amounted to RMB1,042 million (2021: RMB885 million), representing a year-on-year increase of 17.75%. In particular, operating performance segments of CIMC Enric, the main operating company, in 2022 were as follows:

1. Clean energy segment recorded a revenue of RMB10,591 million (2021: RMB11,210 million), representing a year-on-year decrease of 5.5%.

CIMC Enric is China's only manufacturer of key equipment and provider of engineering services claiming full coverage of the natural gas value chain and capable of providing one-stop system solutions. Thanks to the extension of its technological advantages in pressure containers, CIMC Enric expanded its business into the hydrogen energy industry, LPG, and industrial gas related equipment and engineering works.

- (1) In terms of LNG, LPG and methanol: In 2022, the increased volatility of global energy market and sharp rise in the price of oil and gas led to a decline in both supply and demand in the global natural gas market, and a major change in the supply and demand pattern. During the period, despite the declined apparent consumption of global natural gas and thanks to its advantages claiming full coverage of the industrial chain, the Group was able to actively capture business opportunities in structural development of the industry, and its overall performance remained stable: 1) in terms of upstream: The increase in production of domestically produced natural gas led to impressive revenue performance in related natural gas processing and distribution business; 2) in terms of midstream: Overseas business performed well during the year mainly driven by the LNG related demand in Europe. The Group won bids for several overseas large-scale cryogenic storage tank projects, delivered two LNG and LPG carriers respectively, and signed new orders for three vessels and entered into a memorandum of understanding for the building of an ammonia fuel bunkering vessel; 3) in terms of downstream: Domestic business delivered a total of 78 oil-to-gas transformation vessels (59 vessels in the Xijiang River basin and 19 vessels in the Yangtze River basin). The Group delivered an excellent performance in "Gasification of Pearl River" to the Department of Transport of Guangdong Province, and completed important strategic layout in the Pearl River, the Yangtze River and the Beijing-Hangzhou Canal and other major water system waterways.

- (2) In terms of hydrogen energy, the Group has explored in the hydrogen energy field for 16 years and is one of the leading providers of hydrogen energy equipment and engineering services in China with products covering various sub-sectors of hydrogen energy production, storage, transportation, refueling and utilization. In 2022, all parts in the industrial chain benefited from the overall favourable policy environment for hydrogen energy industry, and the demand for related equipment increased significantly. During the period, the hydrogen energy-related business recorded a revenue of RMB440 million, representing a year-on-year increase of 151.4%, mainly due to the increased market demand for the hydrogen energy storage and transportation equipment and hydrogen refuelling station equipment and engineering business.
2. The chemical environment segment recorded a revenue of RMB5,242 million (2021: RMB3,794 million), representing a year-on-year increase of 38.2%. With the gradual recovery of global supply chain, the market demand for tank containers has also gradually returned to normal levels. Order of both standard and special tank containers of CIMC Enric recorded significant growth with profitability remaining relatively stable and operations continuing to improve, further consolidating its position as a global market leader. This segment actively expanded the aftermarket and intelligent product business, and deployed yard service outlets around logistics hubs or chemical agglomeration areas. CIMC Saiwei Tank Container Services (Lianyungang) Co., Ltd. (中集賽維罐箱服務(連雲港)有限公司) was put into operation during the year.
3. The liquid food segment recorded a revenue of RMB3,620 million (2021: RMB3,420 million), representing a year-on-year increase of 5.8%. The liquid food industry maintained a growing trend due to steady population growth, global economic prosperity, improved living standards and increased awareness on food safety and health. A number of global beer and hard seltzer turnkey projects of this segment have made good progress during the year. By the end of 2022, this segment could also secure a strong order backlog, especially in the non-beer market such as distilled spirits and juices, and has acquired several new major projects in the next few years.

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

The Group is engaged in the offshore engineering business mainly through Yantai CIMC Raffles Marine Technology Group Co., Ltd. (the “**Marine Technology Group**”), in which the Group held approximately 83.3% equity interest as at 31 December 2022. 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 that has actively participated in international competition in the offshore engineering equipment market. Its major businesses include manufacture of oil and gas equipment with a focus on FPSO, construction of offshore wind power equipment with a focus on wind power installation vessels and booster stations and operation and maintenance of wind farms, manufacture of other special vessels such as ro-ro ships, etc.

In 2022, the global offshore engineering market ushered in an upward cycle of oil and gas and clean energy. In terms of new orders received, the Group's offshore engineering business recorded remarkable results in its initial strategic transformation. The business layout has gradually expanded from traditional oil and gas to new energy sources, and the quality of orders has continued to improve. It is striving to create a business portfolio that can stabilize the cycle. Judging from the amount of newly signed orders in 2022, the business portfolio and production capacity layout of 50% for oil and gas and 50% for non-oil and gas businesses are basically maintained. New effective orders increased by 77% year-on-year to US\$2,560 million (the same period in 2021: US\$1,450 million), including four oil and gas module projects with contract value of approximately US\$1,410 million, 10 special vessel projects with contract value of approximately US\$930 million (including seven ro-ro ship contracts (US\$590 million) and two wind power ships (US\$300 million)), and total orders for other clean energy and deep-sea fisheries of USD220 million. As at the end of 2022, the accumulated value of orders on hand increased by 122% to USD3,900 million (the same period in 2021: US\$1,760 million), of which the oil and gas business and the non-oil and gas business accounted for approximately 50%, respectively.

**In respect of construction commencement:** In April, the construction of the first “3060” series 2200T jack-up wind power installation vessel independently designed and built by CIMC Raffles for Shanghai Boqiang Heavy Industry Group Co., Ltd. commenced at the Yantai base; in July, the construction of the world's largest latest-generation wind power installation vessel built for Van Oord of the Netherlands commenced; in August, the positioning and closure of the living quarters and the main hull for the FPSO hull renovation of the Mero project of the Brazilian state oil company (Petrobras) was completed, marking that the main ship renovation work has entered the system completion stage; and in November, the PCC 6500 car carrier built by LCRO for WALLENIOUS LINES AB officially started construction.

**In respect of delivery:** The oil and gas business of the Group delivered three oil and gas modules, including jack-up living platforms to BP and two water treatment modules to MISC. The offshore wind power business delivered three offshore booster stations, and the special ship business delivered one special ship (yacht carrier) and 2 ro-ro ships, while other businesses delivered the Jinghai No. 004 intelligent net cage and completed the first four cages of the “100 Cages Plan” of Jinghai Fishery.

During the Reporting Period, the revenue of the offshore engineering business of the Group was RMB5,771 million (same period in 2021: RMB5,440 million), with a net loss of RMB334 million (same period in 2021: net loss of RMB2,018 million), which was mainly due to the consolidation of companies holding jack-up drilling platforms into the offshore engineering segment and the provision for asset impairment for the same period of last year. In particular, the Group's offshore engineering business scored a turned-around with an operating profit before interest, tax, depreciation and amortization of approximately RMB200 million in 2022.

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

The Group's finance and asset management business is devoted to establishing a financial service system which matches the Group's strategic positioning as a leading manufacturer in the world, enhancing the efficiency and effectiveness of the Group's offshore engineering assets and internal capital utilisation, and providing diversified financial service measures for the Group's strategic expansion, business model innovation, industrial structure optimisation and overall competitiveness enhancement. The main operating entities are CIMC Finance Company and Offshore Engineering Asset Management Platform Company.

During the Reporting Period, the Group's finance and asset management business achieved revenue of RMB1,709 million (same period in 2021: RMB3,763 million), representing a year-on-year decrease of 54.59%, mainly due to the derecognition of CIMC Leasing, and net loss of RMB1,358 million (same period in 2021: net profit of RMB2,403 million), mainly due to the significant provision for asset impairment made by the offshore engineering asset management platforms on the then existing platforms.

**CIMC Finance Company:** CIMC Finance Company constantly increased its financial support to the industry and accurately grasped the needs of enterprises. In 2022, its new credit funds reached RMB8,400 million (same period in 2021: RMB7,200 million), helping member companies to achieve capital turnover efficiently and quickly. While actively ensuring the capital supply of member companies, CIMC Finance Company provided differentiated and characteristic comprehensive financial services for each sector, actively adopted various methods to increase the development of green finance and improved foreign exchange service capabilities to help the Group reduce exchange rate risks and transaction costs. CIMC Finance Company actively utilized financial technology to improve financial service quality and efficiency. The new-generation core system was successfully launched in May 2022, which has comprehensively improved the carrying capacity of the technology platform and the application level of the business system to provide a better financial service experience. CIMC Finance Company has continuously strengthened compliance risk management, and various regulatory ratings have been maintained at a good level, reaching the forefront of the same industry in Shenzhen.

**Offshore engineering asset operation and management business of CIMC:** As of the end of December 2022, the offshore engineering asset operation and management business of the Group involved 16 offshore engineering assets in total, including two ultra-deepwater semi-submersible drilling platforms, three semi-submersible drilling platforms for severe sea conditions, three semi-submersible lifting/life support platforms, three 400-foot jack-up drilling platforms, four 300-foot jack-up drilling platforms and one high-end yacht. In particular, a sale and purchase agreement in relation to one 300-foot jackup drilling platform has been entered into with the purchaser, and the platform will be delivered to the purchaser in 2023.

In 2022, in order to make up the shortfall of oil and natural gas import in Europe, coupled with the cyclical impact of reduced investment and retirement of old platforms in the past few years, the demand of the market for drilling platforms has increased, and the oil price remained stable in the range of US\$85-90/barrel. According to the industry report of Clarkson in 2022, the drilling market recovered dramatically: as of the end of 2022, the rental rate of global active jack-up drilling platforms increased to 86%, and the rental rate of global active floating drilling platforms increased to 82%, with an increase in overall rentals in the industry.

During the Reporting Period, the offshore engineering asset operation and management business of CIMC has been further improved, and we signed two new platform lease contracts with customers, namely “Perro Negro 11” (400-foot jack-up drilling platform) and “Blue Whale I” (ultra-deepwater semi-submersible drilling platform). As of the end of 2022, we acquired lease contracts for nine platforms for the offshore engineering asset operation and management business of CIMC with the term of ranged from approximately 13–80 months, representing a significant increase in months of the term on hand as compared to last year.

#### ***(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:***

The Group’s cold chain business has one of the most extensive cold chain operations in China. The Group currently possesses a competitive advantage in portable cold chain equipment such as reefer containers, refrigerated vans, portable cold store and medical reefer containers, with the sales volume of reefer containers and refrigerated vans ranking at the forefront. The scale of our strategic business operations for transportation services of food cold chain and medical cold chain is also expanding.

During the year, the Group continued to promote the layout and development of its cold chain business and actively researched and developed a variety of new products suitable for modern agriculture and new energy vehicle scenarios, such as planting boxes, refrigeration and heat preservation integrated containers, new energy reefer containers and flight cases. In the field of cold chain service, food cold chain has achieved the goal of being the leader in the industry of two-way cold chain logistics service for import and export of “China-Southeast Asia”. Based on Mohan channel, the key point of Southeast Asia import and export, the Group has opened up multimodal transportation services such as cold chain railroad trains and enriched cold chain transportation categories to realize the import transportation of fresh products such as durian and longan, frozen products such as beef and seafood, and export transportation of “Yunnan products out of Yunnan (雲品出滇)” such as orah mandarin, grapes and pomegranate. In terms of pharmaceutical cold chain, the revenue from the Group’s pharmaceutical cold chain logistics service recorded a stable increase as compared with the corresponding period of last year. The “Cold Chain Transportation Box Based on Phase Change Materials”, a patent jointly applied by the Group and CIMC Cold Cloud, was honored with the China Patent Excellence Award.

In particular, the Group actively responded to the “14th Five-Year Plan for the Development of Cold Chain Logistics”, conducted in-depth research and business understanding on the production side, processing links and supply chain, and built a demonstration platform of cold chain application for CIMC fresh products from the field to the public’s table with the strength of CIMC’s “cold chain equipment + cold chain services”. At the same time, the Group also provided customers with a full cold chain “one-stop” loop packaging solution and portable cold store rental services, covering online e-commerce, large supermarkets and the fields of production, so as to fill the gap in China’s fresh supply chain services and help the high quality development of cold chain logistics.

– ***Energy storage technology:***

In recent years, the global demand for new energy storage achieved explosive growth. According to CNESA, the installed capacity of new energy storage projects in China during the year reached 6.9GW with an increase of over 180% year-on-year, while the electrochemical energy storage was installed as the main technology route. Europe and the United States also achieved significant growth in the scale of new energy storage installations, the U.S. market mainly benefited from grid-connected demand brought about by new energy installations, while the European market was driven by the higher cost of electricity to explode the household storage market.

Benefiting from the growth of the electrochemical energy storage market scale, the Group's containerized energy storage business continued its rapid development in 2022. The revenue reached a new high record, the added value of products continued to improve, and the brand effect began to show. The Group's energy storage business follows the national new energy strategy in the energy sector, focusing mainly on energy storage and new energy and other equipment applications. By deepening cooperation with leader customers in the industry and strengthening its independent research and development capabilities and technological innovation strength, the Group has made important breakthroughs on the power generation side, grid side and user side, and also has improved the degree of integration. In the future, the energy storage business will continue to cultivate the energy field, actively explore new application scenarios, and further enhance the influence of CIMC brand.

– ***Modular building business:***

In 2022, the Group's modular building business is customer-centric, technology-led and innovation-driven, providing customers with one-stop and diversified integrated solutions for industrialised finished buildings in respects of “consultation, design, manufacturing, construction and delivery”.

Benefiting from policy promotion and labor shortage, assembled steel structure buildings have maintained steady growth in both domestic and overseas markets. The Group's modular building business keeps abreast of market demand and we continue to strengthen the technological research and development. During the Reporting Period, the Group obtained nearly 40 new patents, got IPA (In-Principle-Approval) for transitional housing in Hong Kong, and actively carried out research and development of modular products for high-rise concrete buildings and IPA access, and made significant progress in the research and development of assembled steel structure building systems. During the Reporting Period, the Group's modular building business vigorously explored domestic and international markets. At the same time, the Group promoted project implementation with high standards and quality, and made significant progress in a number of major projects such as the Swedish Talent Apartment (瑞典人才公寓), the Student Residence of City University of Hong Kong, the citizenM Facebook project Hotel in the United States, the Gibraltar Wellness Residence (直布羅陀養生公寓) and the Transitional Housing at Yip Shing Street of Hong Kong Council of Social Service, which were highly praised by customers, and delivered a total of over 150,000 square meters of industrialized finished buildings throughout the year.

– ***AGV parking business:***

In 2022, the Group's AGV parking business focused on promoting the research and development and upgrading of double-deck AGV parking products and improving market competitiveness through product innovation and research and development. At present, the double-deck AGV products and systems developed independently have completed product finalization and testing, the AGV stand-alone machine and the whole system have passed the EU CE certification, and 11 patents have been granted. During the year, the AGV parking business has achieved breakthroughs in orders in airports, ports, hospitals, industrial parks, and has won and signed benchmark projects such as the Lianyungang International Automobile Green Intelligent Logistics Center project, Qilu Hospital and Hong Kong Airport AGV robot parking. The innovative products and technologies have gained market recognition. During the year, the intelligent bus garage in Xiasha, Futian, Shenzhen was completed and accepted, which was recognized by the owner and the competent unit and is the largest intelligent three-dimensional garage for new energy buses in China.

### 3.3 Future Development and Prospects

Focusing on the national strategy and considering the development trend of the industry and the actual development of CIMC, at this historic point of the 40th anniversary of CIMC's production, CIMC clearly put forward its vision for future development: "to build CIMC into a world-class respectable high-quality enterprise". CIMC will strengthen and expand its logistics and energy equipment businesses, expand strategic new businesses in areas where the market has needs, the industry has shortcomings and CIMC has capabilities, and establish a business portfolio that minimises cyclical fluctuations and enhances profitability, so as to make long-term growth with stability and build an everlasting enterprise.

The Group will continue to enhance and integrate its advantages in "logistics, energy equipment manufacturing + services", and focus on consolidating its position as an industry leader, so as to promote the consolidation and improvement of the Group's overall performance in the future. On the one hand, the Group will continue to consolidate its main business of equipment manufacturing, integrate upstream and downstream industrial chain resources, provide more comprehensive and integrated services, and accelerate the promotion of green, digital, and intelligent transformation and upgrading of products, so as to build up its leadership in products through technological innovation. On the other hand, we will adhere to the national development strategy as the guide and seize the historical opportunities in the "smart logistics" and "clean energy" sectors to broaden the connotation scope of the existing advantageous main business, and will also focus on the four strategic themes of "cold chain", "clean energy", "clean water and lush mountains" and "rural revitalization" to build core competitiveness in emerging businesses.

#### ***3.3.1 Industrial Analysis and Corporate Operating Strategy of Major Business Segments***

##### ***(1) In the Logistics Field:***

###### ***Container Manufacturing Business***

Looking forward to 2023, according to the latest prediction made by CLARKSONS (a global authoritative industry analyst) in March 2023, the growth of global container trade and shipping capacity in 2023 will be - 1.2% and 6.7%, respectively. The growth of supply and demand in the container shipping market showed a differentiation. Considering that the new environmental regulations issued by the International Maritime Organization (IMO) together with the management and control measures implemented among the container shipping industry for responding to the decline in shipping rates will bring a positive effect, it is expected that the supply and demand in the container shipping market may maintain a slight balance in 2023, and the demand of containers, compared to the previous level, will also return to normal. In light of the large volume of over-aged old containers to be phased out and replaced, the replacement demand will provide continuous support for the market. In long term, the recovery of global trade will be promising, and the core segment of demand in the container market is expected to show a stable-to-rising trend. Container Manufacturing Business will optimise connotation, improve its comprehensive competitiveness and consolidate its leading position in the industry through continuous investment as well as management improvements in technology and equipment, such as the Dragon Project (龍騰計劃).



## ***Road Transportation Vehicles Business***

In 2023, with the demand for logistics and transportation in China gradually recovering, that for semi-trailers was also undergoing a rebound, which, in combination with the tightening implementation of the new national standards for semi-trailers, will certainly lead to an acceleration of the upgrading and iteration of semi-trailers in China. With the increase in demand for retail consumption of the North American residents, that for road transportation and semi-trailer equipment in North America is expected to remain buoyant. Since the introduction of the National VI emission standards, the impact of such a switch in emission standards on the special purpose vehicle industry has gradually diminished, which is expected to meet with a resurgence, with the penetration rate of new energy special purpose vehicles gradually increasing. With the ending of the transition period of the new regulations on the blue-plate light trucks, the trend of the light truck industry's compliant development is getting increasingly obvious, with new energy light trucks entering a fast lane of development.

In 2023, CIMC Vehicles will continue to promote the structural reform of its semi-trailer production organization, concentrate its efforts and resources in developing the business of truck bodies of specialty vehicles and lightweight van bodies, and deepen the construction of the "Light Tower Manufacturing Network". In addition, as the trend of new energy commercial vehicles emerges, CIMC Vehicles will enhance its R&D efforts in developing new energy products, while continuing to deepen its new retail reform and promote high-quality development.

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

**In respect of the airport facilities and logistics equipment business:** On the one hand, smart airport will continue to be a global trend, and intelligence will accelerate the electric upgrading and updating of obsolete equipment in the airports; meanwhile, as the continuing and rapid development of the air transportation industry as well as the increasing air cargo logistics projects, logistics equipment system provider will carry out comprehensive competition in terms of timeliness, reliability and mass production; on the other hand, in 2023, the domestic and overseas aviation logistics is expected to continue to recover, the number of air passengers and cargo transportation will increase significantly, and it is expected that a large number of delayed procurement needs in the early stage will also be made. The airport and logistics equipment of CIMC TianDa mainly serve the demand of aviation industry for airport construction and logistics construction, and it will continually invest resources and enhance its research and development (R&D) and production capabilities in the future, strive to achieve greater breakthroughs in the fields such as intelligent self-service equipment, intelligent baggage system, intelligent warehousing and automated logistics. Besides, it will also expand the production types and cover a broader service area, so as to maintain its competitive advantage to consolidate and increase its domestic and overseas market share.

**In respect of the safety and rescue equipment business:** Upon the establishment of the Ministry of Emergency Management, the fire rescue work converts from “single disaster” into “comprehensive rescue”, accompanied by higher demand for fire safety and rescue equipment as well as the increasing market needs in relevant industry. To respond the big-data construction of “smart fire safety” across China, the active development of intelligent, modular, unmanned and high-performance firefighting and rescue equipment, the enrichment of emergency products and technologies, the promotion of application of new technologies and new energies in the fire safety and rescue industry are trends of the development of the industry for a long time in the future. With a basically full geographical coverage in China, CIMC TianDa has a complete product line of fire safety and rescue equipment and comprehensive emergency rescue business capabilities of “vehicle + equipment + service + station construction”, it also has established a cloud platform for managing the full life cycle of fire safety products. With the support of national and industrial policies, CIMC TianDa will continually invest more resources in the future to develop and explore various new products and services to meet the needs of the market with the help of information technology and big data.

### ***Logistics Services Business***

Looking forward to 2023, it is expected that the container market will generally stay in normal, while the land and air logistics will recover apparently, and the domestic consumption and production needs will also recover gradually, which is conducive to supporting China’s domestic market and the export supply chain to maintain the resilience. In a medium to long term, the integrated management capability in supply chain established previously by the Chinese logistics enterprises and their investment in high-end logistics equipment have achieved outstanding results, representing that the Chinese logistics enterprises have possessed the ability to compete with the international logistics enterprises. Chinese logistics service enterprises are expected to rebuild a logistics pattern along with the expansion of cross-border trade of China.

The Group will enhance the domestic and foreign cargo collection capacity for its Logistics Services Business, continually provide reliable, professional, flexible, customized, integrated and end-to-end logistics service plans for its customers through 1) focusing on the key sector of multimodal transport, expanding the global landscape, strengthening the deployment of local service capacity in international ports of destination, and increase joint venture cooperation with railways, connecting the multimodal transport including “river, sea, land, railway, air” by domestic and international hub nodes, to enhance its cargo control capability at home and abroad; exploring and building green transportation resources, comprehensively enhancing its capability in serving the entire chain, and accelerating its layout in specialized logistics service fields such as fresh and cold chain logistics, clean energy logistics and special cargo logistics; 2) in terms of logistics technology, increasing investment in R&D, building a digital visualisation platform, enhancing standardised operation, exploring the application and operation platform of intelligent equipment, comprehensively enhancing its technological capability, and facilitating the green, digital intelligence and high-quality development of multimodal transport, to continually provide stable, excellent and smooth logistics service for its customers.

## ***Recycled Load Business***

Looking forward to 2023, leveraging on the advantages of enhancing quality and reducing costs, the operation concept of recycled loads will continually permeate in the industrial sectors, and with the recovery of domestic consumption, the market demand for recycled loads will also increase. The new energy industry represented by the sectors of new energy battery and photovoltaic will continue to develop rapidly, and thereby, drive the rapid development of new energy recycled loads business.

Apart from strengthening the existing operations, the Group will continue to enhance its business expansion, optimise and improve the operation capacity for the recycled loads business. In terms of the R&D and manufacturing of recycled loads, the Group will build new R&D and manufacturing bases, enhance its technological innovation, optimise the production process, and improve the production capacity and efficiency. In terms of the recycled loads shared-operation business, the Group will actively expand the recycled loads shared-operation business of other industries, continually increase the business scale; continue to optimise the intelligent operation and management platform of recycled loads, and improve the operation efficiency of such asset.

### **(2) *In the Energy Industries Field:***

#### ***Energy, Chemical and Liquid Food Equipment Business***

**Clean Energy:** In the long run, benefiting from the carbon neutrality, the demand for and the proportion in primary energy consumption of natural gas still have more room for improvement. Accompanied by the gradual transformation of supply pattern of global energy, the demand for infrastructure of import and export terminals will continue to increase, and the storage and transportation equipment business may be expanded as a positive result of the increased proportion of natural gas consumption. Especially, as for hydrogen energy, 2023 will be the booming stage of hydrogen energy policies, and will be functioning as the bridge of the implementation of industrial commercialisation, promote the multidimensional and collaborative development of the upstream, midstream and downstream sectors of the industry. CIMC Enric will continue to take advantages of overall industrial layout surrounding the “production, storage, transportation, refueling” and the application scenarios, sensitively capture the opportunities arising from the structured development of the market, vigorously expand overseas markets in areas such as Asia-Pacific, Europe, North and South America and Africa while maintaining its leading position in the domestic market. Especially, in terms of green maritime transportation, CIMC Enric will continually promote the development of small-to-medium sized liquefied gas carriers and oil-to-gas conversion business, helping the shipping and inland river purification. Besides, in terms of new energy, the Group will enhance its layout of various new alternative fuels, such as green methanol, liquid ammonia and hydrogen energy, in particular, it will seek the breakthrough of new technologies for hydrogen energy industry, including the storage and transportation equipment of high pressure hydrogen and equipment of liquefied hydrogen with more efficiency in storage and transportation, as well as the advanced and efficient on-board hydrogen supply system.

**Chemical Environment:** Under the background of iterative upgrading of global industry as well as the stringent implementation of the laws and regulations related to safety and environmental protection, the chemical products gradually transformed from a low and primary level into a high-end and high-value-added level, leading to the diversifying demands for the tank containers. China, as the largest chemical production and consumption market in the world, is committed to promoting the professional and safe transportation of chemical products, advocating the construction of professional transportation and loading equipment and supporting facilities of chemical products, which provides more development opportunities for the application of tank containers. CIMC Enric will continue to increase its investment in the research and development of technology and other resources, and vigorously expand the application fields of tank containers while consolidating its leading position in the tank container market, it will also actively improve the intelligence of products and its after-sales services. Besides, the segment will focus on the resource utilization of non-ferrous metals and meanwhile, it will seek and seize the opportunity to enter the environmental protection equipment industry with promising prospect.

**Liquid Food:** According to the research report issued by Imarc Group on the global food and beverage processing equipment market, the scale of such market reached US\$58.2 billion in 2022, which is expected to achieve a growth rate of 5.3% each year (i.e. the compound annual growth rate (CAGR)) from 2023 to 2028, the global beer market is expected to grow at a CAGR of 3.7%, and the Asia-Pacific region will achieve the highest growth rate. The demand for Whisky and other spirits is also expected to grow rapidly in the future, including the mechanized and intelligent transformation of production lines of white wine under the continuous promotion of relevant industrial policies in China. CIMC Enric will focus on strengthening its existing business operation, enhancing its products portfolio, exploring the market of craft beer and spirits in Asia, especially in the field of non-beer businesses such as distilled liquor and white wine, and seeking the expansion opportunities (e.g. the expansion of industrial breweries in markets in Latin America) by virtue of broader global business scope, product and market diversification as well as the products innovation, whether through endogenous growth or outreach mergers and acquisitions.

### ***Offshore Engineering Business***

Looking forward to 2023, in respect of the oil and gas platform business: higher oil prices and the trend of continuous exploration and production of oil and gas in ultra-deep water have made the traditional offshore oil and gas business gradually recover, among which the FPSO business has performed well. It is expected that, benefiting from Petrobras' oil production increase plan in the medium to long run, the number of orders newly signed in the FPSO market has grown strongly, and the capacity utilisation rate of offshore manufacturers will be greatly improved in the next three to five years. 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 huge industry scale, which will further consolidate the transformation of global offshore engineering equipment. Offshore wind power installation related equipment and operation and maintenance services will develop rapidly. In respect of the special vessels business: 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 strong demand for newly built ro-ro ships.

The Group will continue to actively carry out business transformation and layout of the offshore engineering business, actively introduce strategic investors, maintain the continuously qualitative growth of orders in general, and ensure the performance and delivery. At the same time, the Group strictly controls the risks and enhances the management to improve the quality and efficiency of the Company's operation. Following the development guidelines from the state on rural revitalization and marine new energy strategy, the Group actively expands the development opportunities of new business including marine protein, offshore hydrogen production and offshore photovoltaics.

**(3) Finance and Asset Management Business:**

***CIMC Finance Company***

China Banking and Insurance Regulatory Commission issued the newly revised “Measures for the Administration of Finance Companies of Enterprise Group (企業集團財務公司管理辦法)”, which further strengthens the supervision of finance companies of enterprise group. CIMC Finance Company will assist the Group to continuously improve its global capital management standard and comprehensive financial innovation service capability, increase its support for industrial finance, integrate and allocate financial resources in a targeted manner, provide diversified financial services of lower cost and higher quality to member enterprises, help the Group reduce costs and increase efficiency, and provide stronger synergy for deepening the integration of production and finance.

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

In 2023, it is expected that the drilling platforms leasing business will continue to benefit from the rebound of the oil and gas market. Offshore engineering asset operation and management business of CIMC will increase marketing efforts, consolidate customer relationships, comprehensively enhance asset utilization and profitability, and improve its ability to manage the contract performance of leased assets. In addition, the offshore engineering asset operation and management business of CIMC will achieve qualitative growth of new business based on improving the operation of the existing asset business in accordance with the working philosophy of “keeping expenditure within the limits of revenue, reducing costs and increasing efficiency, saving costs and generating revenue, expanding the market and improving profits”.

***3.3.2 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 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. The main businesses of the Group, as part of the traditional manufacturing industries, will face certain policy adjustment risks in the coming years.

**Risk of trade protectionism and anti-globalisation:** the geopolitical crisis that occurred in early 2022 exacerbated global inflationary pressures, disrupting national policy stances and posing a threat to world economic growth. Part of the Group's principal businesses will be affected by global trade protectionism and anti-globalisation.

**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 continuous volatility of the global financial market may result in the exchange rate of RMB against USD fluctuating with increased frequency and volatility, and bring challenges for the Group to increase its foreign currencies and manage its capital.

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

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

**Risks of fluctuations in price of main raw materials:** 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. Since the beginning of this year, the Fed's interest rate hike is expected to continue, resulting in tight commodity inventories. At the same time, the global economy is showing regional divergence, and supply and demand and prices will be complex and volatile, which will bring uncertainties to the Group's operating results.

#### **4 MANAGEMENT DISCUSSION AND ANALYSIS (PREPARED IN ACCORDANCE WITH RELEVANT REQUIREMENTS OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “HONG KONG LISTING RULES”))**

The financial data set out below is extracted from the audited financial statements of the Group prepared under CASBE. The following discussion and analysis should be read in conjunction with the audited financial statements of the Group and their accompanying notes as set out elsewhere in the Announcement.

##### ***Research and Development Expenses***

In 2022, the Group’s research and development expenses amounted to RMB2,463.228 million (2021: RMB2,252.355 million), representing a year-on-year increase of 9.36%.

##### ***Sales Expenses***

In 2022, the Group’s sales expenses amounted to RMB2,452.009 million (2021: RMB2,758.879 million), representing a year-on-year decrease of 11.12%.

##### ***General and Administrative Expenses***

In 2022, the Group’s general and administrative expenses amounted to RMB7,012.067 million (2021: RMB5,800.857 million), representing a year-on-year increase of 20.88%.

##### ***Financial expenses***

In 2022, the Group’s financial expenses amounted to RMB(23.518) million (2021: RMB1,507.266 million), representing a year-on-year decrease of 101.56%, mainly due to large exchange gains arising from the fluctuation of the US dollar exchange rate in the year, and the net exchange gains for the year of the Group amounted to RMB1,176.685 million (2021: net exchange losses of RMB367.345 million).

### ***Provision for impairment losses***

In 2022, the asset impairment losses and credit impairment losses stated in the Group's income statement totalled RMB776.953 million (2021: RMB4,954.725 million), representing a year-on-year decrease of 84.32%, mainly due to the provision for significant impairment on offshore engineering assets for the same period last year.

### ***Income tax expense***

In 2022, the income tax expense paid by the Group amounted to RMB2,336.709 million (2021: RMB4,934.291 million), representing a year-on-year decrease of 52.64%, mainly due to the decrease in profit before income tax as a result of the decline in business scale for the year.

### ***Profits Attributable to Minority Shareholders***

In 2022, the Group's profits attributable to minority shareholders amounted to RMB1,381.916 million (2021: RMB1,695.445 million), representing a year-on-year decrease of 18.49%, mainly due to the decrease in profit or loss attributable to minority shareholders calculated based on the shareholding proportion of minority shareholders.

### ***Cash flows***

Details of the cash flows of the Group during the Reporting Period are as follows:

<b>Items</b>	<i>Unit: RMB thousand</i>		
	<b>2022</b>	2021	Year-on-year change
Sub-total of cash inflows of operating activities	<b>149,371,423</b>	167,014,837	(10.56%)
Sub-total of cash outflows of operating activities	<b>134,753,957</b>	146,440,182	(7.98%)
Net cash flows from operating activities	<b>14,617,466</b>	20,574,655	(28.95%)
Sub-total of cash inflows of investing activities	<b>8,620,996</b>	6,370,952	35.32%
Sub-total of cash outflows of investing activities	<b>14,878,573</b>	9,213,973	61.48%
Net cash flows from investing activities	<b>(6,257,577)</b>	(2,843,021)	(120.10%)
Sub-total of cash inflows of financing activities	<b>15,571,183</b>	24,282,188	(35.87%)
Sub-total of cash outflows of financing activities	<b>25,334,540</b>	36,469,166	(30.53%)
Net cash flows from financing activities	<b>(9,763,357)</b>	(12,186,978)	19.89%
Net (decrease)/increase in cash and cash equivalents	<b><u>(617,688)</u></b>	<u>5,319,748</u>	<u>(111.61%)</u>



During the Reporting Period, the Group's net cash flows from operating activities decreased by 28.95% as compared with the same period of last year, which was mainly due to the derecognition of CIMC Leasing in 2022 and receipt of land premiums of Industrial City in the same period 2021.

During the Reporting Period, the Group's net cash flows from investing activities decreased by 120.10% as compared with the same period of last year, which was mainly due to the increase in investment during 2022 and high gains on foreign exchange derivatives in 2021.

### ***Liquidity and Capital Resources***

The Group's cash at banks and on hand primarily consists of cash and bank deposits. As at 31 December 2022, the Group's cash at banks and on hand amounted to RMB17,111.587 million (31 December 2021: RMB16,442.733 million).

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.

### ***Bank loans and other borrowings***

As at 31 December 2022, the Group's short-term borrowings, non-current borrowings due within one year, debentures payable due within one year, long-term borrowings and debentures payable in aggregate amounted to RMB26,432.937 million (31 December 2021: RMB42,015.690 million). During the Reporting Period, the Group did not have any overdue borrowings.

*Unit: RMB thousand*

	<b>31 December 2022</b>	31 December 2021
Short-term borrowings	<b>4,370,714</b>	7,204,671
Non-current borrowings due within one year	<b>3,952,077</b>	5,834,823
Debentures payable due within one year	–	6,089,486
Long-term borrowings	<b>16,213,919</b>	21,651,730
Debentures payable	<b>1,896,227</b>	1,234,980
Total	<b><u>26,432,937</u></b>	<u>42,015,690</u>

In 2022, interest capitalised by the Group was RMB20.940 million (2021: RMB49.474 million).

The Group's bank borrowings are mainly denominated in US dollars, with the interest payments computed using fixed rates and floating rates. As at 31 December 2022, the Group's long-term interest-bearing debts were mainly USD-denominated contracts with floating rate linked to LIBOR amounting to USD2,331.571 million (31 December 2021: RMB14,978.040 million). The interest rate range of the Group's short-term borrowings is 0.05% to 5.65% (31 December 2021: 0.05% to 4.90%), and the interest rate range of long-term borrowings is 1.19% to 6.26% (31 December 2021: 1.19% to 5.25%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB5,540.233 million (31 December 2021: approximately RMB8,998.064 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 (including the convertible bonds issued by CIMC Enric) are mainly denominated in RMB and HKD, with the interest payments computed using fixed rates. As at 31 December 2022, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB1,896.227 million (31 December 2021: RMB7,324.466 million), with maturity dates mainly spreading over one to five years.

### ***Other Equity Instruments***

*Unit: RMB thousand*

	31 December 2021	Issued in the year	Interest bearing at par value	Payment in the year	31 December 2022	
22 CIMC MTN001 <sup>(a)</sup>	—	1,994,339	55,435	—	2,049,774	
	31 December 2020	Issued in the year	Interest bearing at par value	Payment in the year	Other increase in the year	31 December 2021
18 Hai Yun Ji Zhuang MTN002	2,006,165	—	84,499	(2,090,664)	—	—
18 Renewable Corporate Bonds (Tranche 1)	2,001,380	—	89,960	(2,091,340)	—	—
Perpetual debt investment contract	300,497	—	813	(301,310)	—	—
<b>Total</b>	<b>4,308,042</b>	<b>—</b>	<b>175,272</b>	<b>(4,483,314)</b>	<b>—</b>	<b>—</b>

(a) Approved by the Notice of Zhong Shi Xie Zhu No. [2021]DFI 31 from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會), the Company issued accumulative perpetual notes without fixed maturity on 16 February 2022 (“**22 CIMC MTN001**”), with an aggregate nominal amount of RMB2 billion and an initial fixed interest rate of 3.21%. The other principal terms of the perpetual notes are as follows:

- (1) The note has a term of 3+N (3) years, perpetual in nature prior to redemption as agreed in the issue terms, and matures upon redemption as agreed in the issue terms.

- (2) The note confers the issuer the option to defer interest payment, and unless a mandatory interest payment event has occurred, on each interest payment date of the current perpetual notes, the issuer can elect to defer payment of current interest and all interest deferred pursuant to this clause and its fruits to the next interest payment date without any limitation on the number of times of such deferral.
- (3) If the issuer defers the payment of the current interest and all interest deferred pursuant to this clause and its fruits within 12 months before the interest payment date of the current perpetual note, the issuer shall not pay dividends to ordinary shareholders or reduce the registered capital.

As the note does not constitute contractual obligations of the Company to deliver cash or other financial assets, the note will be classified as equity instruments and presented as other equity instruments.

### ***Capital structure***

The Group's capital structure consists of equity interest attributable to shareholders and liabilities. As at 31 December 2022, the Group's equity interest attributable to shareholders amounted to RMB62,656.084 million (31 December 2021: RMB56,980.090 million), total liabilities amounted to RMB83,243.865 million (31 December 2021: RMB97,342.411 million) and total assets amounted to RMB145,899.949 million (31 December 2021: RMB154,322.501 million).

As at 31 December 2022, the Group's gearing ratio was 57% (31 December 2021: 63%). 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.)

### ***Foreign exchange 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.

### ***Interest rate risk***

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 31 December 2022, the Group held 2 unsettled interest rate swap contracts denominated in U.S. dollars, the nominal value of which amounted to a total of USD250 million. Their fair value of RMB10.930 million was accounted as liabilities. These contracts will expire on 20 May 2027.

### ***Market Risks***

For details of the Group's market risks, please refer to "3.3.2 Major Risk Factors in the Future Development of the Group" of "3.3 Future Development and Prospects" in the Announcement.

### ***Credit risk***

The Group's exposures to credit risk are mainly attributable to cash at banks and on hand, accounts receivable and derivative financial instruments for the purpose of hedging. As at 31 December 2022, the Group was not engaged in any material lending business. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group, 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.

### ***Capital Commitments***

As at 31 December 2022, the Group had capital expenditure commitments of approximately RMB131.846 million (31 December 2021: RMB7,197.686 million), which was mainly used for fixed assets purchase contracts. Please refer to note 15 to "6 Financial Report" in the Announcement for details.

### ***Pledge of Assets***

As at 31 December 2022, restricted assets of the Group amounted to a total of RMB1,361.585 million (31 December 2021: RMB5,633.991 million), with details summarised as follows:

*Unit: RMB thousand*

	<b>Closing book value</b>	<b>Restricted reasons</b>
Cash at bank and on hand	1,315,238	Margin and statutory reserves deposited to the central bank
Intangible assets	35,813	No transfer without permission from the government
Receivable financing	7,309	Pledge
Notes receivables	3,225	Pledge
Total	1,361,585	

## ***Significant Investments and Major Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures***

On 27 May 2022, CIMC Financial Leasing Co., Ltd. (“**CIMC Leasing**”) completed equity transfer and change in industrial and commercial registration, and was no longer consolidated into the consolidated statements of the Group and became an associated company of the Group. Save as disclosed above, 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.

## ***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 RMB11.6 billion in 2023, 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.

## ***Contingent liability***

For details, please refer to note 14 to “6.1 Financial Statements Prepared in Accordance with CASBE” in the Announcement.

## ***Employees and Remuneration Policies***

As at 31 December 2022, the Group’s total number of employees worldwide, including contract employees, employed retirees and part-time employees and others, was 62,194, and the Group had a total of 51,543 contract employees (31 December 2021: 51,746) across the globe. The total staff cost during the Reporting Period, including directors’ remuneration, contribution to the retirement benefit schemes and share option incentive schemes, amounted to approximately RMB13,285.340 million (2021: approximately RMB13,091.952 million).

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 operating results of the Group and the market conditions.

## ***Employee training programme***

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

### ***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.

### ***Public float***

The Company has satisfied the requirements for the minimum public float under the Hong Kong Listing Rules.

### ***Dividend distribution***

Based on the Group's 2022 operating results and taking into account the Group's overall financial position and cash flows, the Board recommended a final dividend of RMB0.18 (inclusive of tax) for every one share for the year of 2022, no bonus shares will be issued and no shares will be converted from capital reserve into share capital. 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 2023. The proposed distribution plan of the final dividend of 2022 is subject to the shareholders' approval at the forthcoming annual general meeting of the Company for the year of 2022.

### ***Purchase, sale or redemption of shares***

China International Marine Containers (Hong Kong) Limited, a wholly-owned subsidiary of the Group, purchased in aggregate 27,052,600 H shares of CIMC Vehicles (Group) Co., Ltd., at an average price of HK\$5.20 per share, amounting to approximately HK\$0.14 billion (excluding relevant transaction fee) by way of centralized bidding and block trades in the open market for the period from 20 December 2021 to 19 January 2023.

Save as disclosed above, the Company or any of its subsidiaries did not sell any listed securities of the Company or any of its subsidiaries, nor did it purchase or redeem any listed securities during the twelve months ended 31 December 2022.

### ***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 as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Hong Kong Listing Rules. After making 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.

## ***Compliance with the Corporate Governance Code***

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 2 of Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for deviation of the code provision C.5.1 and code provision C.2.1. Particulars of the deviations and the factors taken for consideration are set out below.

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 29 Board meetings, of which 3 meetings was held on-site. The executive Directors 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.

Corporate Governance Code C.2.1 requires that “The roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.” During the Reporting Period, Mr. MAI Boliang served as the Chairman and the CEO of the Company. The Board of the Company believes that vesting the roles of both the Chairman and the CEO in Mr. MAI Boliang would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. MAI Boliang’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group if Mr. MAI Boliang acts as both the Chairman and the CEO of the Company, and the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Directors and independent non-executive Directors.

## ***Audit committee***

The audit committee has been formed by the Board of the Company pursuant to Appendix 14 of the Hong Kong Listing Rules, which comprises Mr. YANG Xiong (chairman), Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel. The audit committee of the Company has reviewed and affirmed the annual results of the Group for the year 2022.

## **5 SIGNIFICANT EVENTS AND SUBSEQUENT SIGNIFICANT EVENTS**

### **5.1 Significant Events During the Reporting Period**

#### ***Spin-off***

1. In February 2022, the Company planned to spin-off its holding subsidiary, CIMC Wetrans, for the initial public offering of RMB ordinary shares (A shares) in the PRC and listing on the Shenzhen Stock Exchange, which was considered and approved by the shareholders at the general meeting of the Company held on 3 August 2022, and the listing process is under way.
2. In October 2022, the application for the issuance of A shares by CIMC Safeway Technologies Co., Ltd., a holding subsidiary of CIMC Enric, was approved by the Listing Committee for the ChiNext Market of the Shenzhen Stock Exchange, while the issuance of A shares is subject to the consent of the China Securities Regulatory Commission for registration.

#### ***Introduction of Strategic Investors***

1. CIMC Transportation Technology, a holding subsidiary of the Company, introduced strategic investors and initiated rounds of capital increase in April and August 2022, respectively. As at the date of this Announcement, the two rounds of capital increase have been completed and the Company's shareholding in CIMC Transportation Technology has been reduced to 63.58%, with CIMC Transportation Technology remaining a holding subsidiary of the Group.
2. In May 2022, the Company introduced a strategic investor for its offshore engineering business and invested jointly with Yantai Guofeng Group to establish Marine Technology Group. Upon completion of the transaction, the Company held 83.3% equity interest in the Marine Technology Group, which became a holding subsidiary of the Group.
3. In October 2022, the Company's holding subsidiary, C&C Trucks Co., Ltd. ("**C&C Trucks**"), intended to introduce strategic investors for its strategic restructuring, and the agreement on the strategic restructuring of C&C Trucks was signed by the relevant parties in December 2022. The transaction was completed on 15 March 2023 and the Company's shareholding in C&C Trucks decreased from 73.89% to 35.42% and C&C Trucks became an associate of the Company.



### *Changes of Directors, Supervisors and Senior Management*

<b>Name</b>	<b>Position</b>	<b>Type</b>	<b>Date</b>	<b>Reason</b>
KONG Guoliang	Non-executive Director	Resigned	23 September 2022	Resignation due to the change in job assignments
SUN Huirong	Non-executive Director	Elected	14 November 2022	Election
MING Dong	Non-executive Director	Resigned	4 July 2022	Resignation due to the change in job assignments
YANG Xiong	Independent non-executive Director	Elected	28 June 2022	Election
ZHANG Guanghua	Independent non-executive Director	Elected	28 June 2022	Election
MA Tianfei	Supervisor	Elected	28 June 2022	Election
HE Jiale	Independent non-executive Director	Resignation upon expiration of the term of office	28 June 2022	Resignation upon expiration of the term of office
PAN Zhengqi	Independent non-executive Director	Resignation upon expiration of the term of office	28 June 2022	Resignation upon expiration of the term of office
XIONG Bo	Supervisor	Resignation upon expiration of the term of office	28 June 2022	Resignation upon the expiry of the term of office

Save as disclosed above, the Company also completed the re-election of its Directors, Supervisors and senior management during the Reporting Period and some Directors, Supervisors and senior management were re-appointed upon the expiry of their term of office.

### *Others*

On 25 August 2022, as considered at the twenty-third meeting in 2021 of the ninth session of the Board of the Company, the Company and A.P. Møller – Mærsk A/S (“**APMM**”) entered into a Share Purchase Agreement (the “**Transaction**”), however, due to the huge uncertainty in the centralised review of operators, it may lead to the failure to achieve the conditions precedent to the Transaction stipulated in the Share Purchase Agreement. Therefore, after comprehensive and prudent assessment, the parties decided to terminate the Transaction on 25 August 2022. The termination of the Transaction will not have a material adverse impact on the Group’s main business operations.

## 5.2 Subsequent Significant Events After the Reporting Period

1. On 17 January 2023, the Company's 2023 First Tranche of Super Short-term Commercial Papers (the "**First Tranche of Super Short-term Commercial Papers**") were successfully issued. The proceeds from the First Tranche of Super Short-term Commercial Papers have been received on 17 January 2023, with an issuance amount of RMB500 million, and an interest rate of 2.21% (annualized). Bank of Shanghai Co., Ltd. is the lead underwriter for the issuance of the First Tranche of Super Short-term Commercial Papers.
2. On 24 February 2023, as considered and approved at the second meeting in 2023 of the tenth session of the Board, the Company entered into the ordinary related-party transactions framework agreements with CIMC Leasing and Huijin Intelligence (匯進智能), subsidiaries of Shenzhen Capital Group, pursuant to which the Group will continue to provide goods and/or services to CIMC Leasing and its subsidiaries and Huijin Intelligence and its subsidiaries, as well as accept the goods and services business provided by CIMC Leasing, and the Parties have agreed on the proposed caps for the ordinary related-party transactions for the three years ending on 31 December 2023, 2024 and 2025.

Reference is made to the announcement issued on the same day, regarding the Shenzhen Capital Group mentioned therein, it is further explained as follows, Shenzhen Capital Group is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government.

3. On 16 February 2023, as considered and approved at the first meeting in 2023 of the tenth session of the Supervisory Committee of the Company, the Supervisory Committee approved the nomination of Mr. LIN Changsen for by-election as the candidate of Supervisor representing shareholders of the tenth session of the Supervisory Committee, for a term commencing from the date of passing of the resolution at the general meeting of the Company until the expiry of the term of the tenth session of the Supervisory Committee. On 16 March 2023, such matter has been considered and approved by the Company at the first extraordinary general meeting in 2023. On the same day, Mr. LOU Dongyang resigned as a Supervisor of the Company took effect.
4. On 10 March 2023, for the first to-be-launched fund of the second tranche of the CIMC Hongyuan Advanced Manufacturing Industry Fund, CIMC Capital Management, CIMC Capital Holdings, Vanho Capital, Luoyang Manufacturing High Quality Development Fund (Limited Partnership) (洛陽製造業高質量發展基金(有限合夥)), Luoyang Productivity Promotion Center Co., Ltd. (洛陽市生產力促進中心有限公司) and Luoyang Longfeng Construction Investment Co., Ltd. (洛陽龍豐建設投資有限公司) entered into the Partnership Agreement for Luoyang Zhongtai Longchuang Technology Venture Fund Partnership (Limited Partnership) (洛陽中泰龍創科技創投基金合夥企業(有限合夥)). The total size of the fund is RMB100 million, RMB30 million of which is to be contributed by CIMC Capital Management and CIMC Capital Holdings aggregately, accounting for 30%.
5. On 15 March 2023, the transactions in relation to the strategic restructuring of C&C Trucks have been completed, upon which the shareholding of the Company in C&C Trucks decreased from 73.89% to 35.42%. C&C Trucks became an associated company of the Company, and was no longer a holding subsidiary of the Company.

## 6 FINANCIAL REPORT

### 6.1 Financial Statements Prepared in Accordance with CASBE

#### 6.1.1 Consolidated Balance Sheet (audited)

Unit: RMB thousand

	Notes	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash at bank and on hand		17,111,587	16,442,733
Financial assets held for trading		1,060,953	445,432
Derivative financial assets		160,660	562,027
Notes receivables	4(1)	639,162	947,968
Accounts receivables	4(2)	22,286,602	25,491,181
Receivables financing		628,967	1,048,244
Other receivables		3,252,724	4,779,626
Advances to suppliers		6,023,481	3,447,421
Inventories		18,331,548	19,837,123
Contract assets		3,927,838	2,821,340
Assets held for sale		2,166,440	–
Current portion of non-current assets		88,906	3,707,125
Other current assets		1,305,318	1,927,159
<b>Total current assets</b>		<b>76,984,186</b>	<b>81,457,379</b>
<b>Non-current assets:</b>			
Other equity investments		2,699,048	1,167,141
Other non-current financial assets		126,060	330,600
Long-term receivables		35,377	7,918,001
Long-term equity investments		10,531,627	8,469,457
Investment properties		1,453,007	1,386,085
Fixed assets		39,202,494	34,995,382
Construction in progress		4,740,879	9,071,776
Intangible assets		4,331,430	4,543,742
Development expenditures		35,779	–
Right-of-use assets		874,640	864,559
Goodwill		2,516,875	2,268,466
Long-term prepaid expenses		913,177	503,454
Deferred tax assets		1,106,771	1,265,807
Other non-current assets		348,599	80,652
<b>Total non-current assets</b>		<b>68,915,763</b>	<b>72,865,122</b>
<b>TOTAL ASSETS</b>		<b>145,899,949</b>	<b>154,322,501</b>

### 6.1.1 Consolidated Balance Sheet (audited) (Continued)

Unit: RMB thousand

	Notes	31 December 2022	31 December 2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings		4,370,714	7,204,671
Derivative financial liabilities		1,318,327	691,856
Financial liabilities held for trading		35,685	38,134
Notes payables	5(a)	3,129,916	5,215,721
Accounts payables	5(b)	16,562,146	17,504,738
Advances from customers		24,465	16,941
Contract liabilities		12,191,280	7,427,329
Employee benefits payable		5,332,059	4,534,703
Liabilities held for sale		1,984,154	–
Taxes payable		4,903,749	2,870,290
Other payables		7,016,863	9,382,139
Provisions		1,387,532	1,424,793
Current portion of non-current liabilities		4,191,030	12,434,293
Other current liabilities		550,234	676,994
<b>Total current liabilities</b>		<b>62,998,154</b>	<b>69,422,602</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		16,213,919	21,651,730
Debentures payable		1,896,227	1,234,980
Lease liabilities		732,885	442,036
Long-term payables		85,634	829
Deferred income		996,373	976,247
Deferred tax liabilities		290,953	3,610,921
Other non-current liabilities		29,720	3,066
<b>Total non-current liabilities</b>		<b>20,245,711</b>	<b>27,919,809</b>
<b>Total liabilities</b>		<b>83,243,865</b>	<b>97,342,411</b>

**6.1.1 Consolidated Balance Sheet (audited) (Continued)**

*Unit: RMB thousand*

	<i>Notes</i>	<b>31 December 2022</b>	31 December 2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity:</b>			
Share capital		5,392,521	3,595,014
Other equity instruments		2,049,774	–
Including: Perpetual bonds		2,049,774	–
Capital reserve		4,207,798	5,524,096
Other comprehensive income		1,065,540	784,890
Surplus reserve		4,300,255	3,587,597
Undistributed profits	6	31,597,541	31,627,036
Total equity attributable to shareholders and other equity holders of the Company		48,613,429	45,118,633
Minority interests		14,042,655	11,861,457
<b>Total shareholders' equity</b>		<b>62,656,084</b>	<b>56,980,090</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>145,899,949</b>	<b>154,322,501</b>

## 6.1.2 Balance Sheet (audited)

Unit: RMB thousand

	31 December 2022	31 December 2021
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash at bank and on hand	562,612	3,096,658
Derivative financial assets	483	67,817
Accounts receivables	12,370	36,562
Other receivables	<u>25,114,528</u>	<u>24,337,668</u>
<b>Total current assets</b>	<u>25,689,993</u>	<u>27,538,705</u>
<b>Non-current assets:</b>		
Other equity investments	2,169,707	652,408
Long-term equity investments	13,570,205	13,042,921
Investment properties	126,181	118,573
Fixed assets	113,535	121,927
Construction in progress	15,321	35,208
Intangible assets	171,185	134,292
Long-term prepaid expenses	<u>973</u>	<u>1,337</u>
<b>Total non-current assets</b>	<u>16,167,107</u>	<u>14,106,666</u>
<b>TOTAL ASSETS</b>	<u><u>41,857,100</u></u>	<u><u>41,645,371</u></u>

## 6.1.2 Balance Sheet (audited) (Continued)

Unit: RMB thousand

	31 December 2022	31 December 2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings	–	360,000
Derivative financial liabilities	518	939
Employee benefits payable	380,598	277,511
Taxes payable	5,221	14,970
Other payables	8,494,781	7,117,247
Current portion of non-current liabilities	<u>1,677,186</u>	<u>9,355,935</u>
<b>Total current liabilities</b>	<u>10,558,304</u>	<u>17,126,602</u>
<b>Non-current liabilities:</b>		
Long-term borrowings	2,733,000	3,850,904
Debentures payable	507,583	–
Deferred income	<u>3,497</u>	<u>6,450</u>
<b>Total non-current liabilities</b>	<u>3,244,080</u>	<u>3,857,354</u>
<b>Total liabilities</b>	<u>13,802,384</u>	<u>20,983,956</u>
<b>Shareholders' equity:</b>		
Share capital	5,392,521	3,595,014
Other equity instruments	2,049,774	–
Including: Perpetual bonds	<u>2,049,774</u>	<u>–</u>
Capital reserve	1,015,449	2,812,956
Other comprehensive income	639,000	383,171
Surplus reserve	4,300,255	3,587,597
Undistributed profits	<u>14,657,717</u>	<u>10,282,677</u>
<b>Total shareholders' equity</b>	<u>28,054,716</u>	<u>20,661,415</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>41,857,100</u></u>	<u><u>41,645,371</u></u>

### 6.1.3 Consolidated Income Statement (audited)

Unit: RMB thousand

Items	Notes	2022	2021
<b>I. Revenue</b>	7	<b>141,536,654</b>	163,695,980
Less: Cost of sales	7	<b>119,911,750</b>	134,175,949
Taxes and surcharges		<b>550,968</b>	634,267
Selling and distribution expenses		<b>2,452,009</b>	2,758,879
General and administrative expenses		<b>7,012,067</b>	5,800,857
Research and development expenses		<b>2,463,228</b>	2,252,355
Financial (income)/expenses		<b>(23,518)</b>	1,507,266
Including: Interest expenses		<b>1,335,402</b>	1,368,524
Interest income		<b>322,352</b>	350,218
Asset impairment losses	8	<b>458,625</b>	4,323,981
Credit impairment losses	9	<b>318,328</b>	630,744
Add: Other income		<b>540,871</b>	646,885
Investment (loss)/income		<b>(595,269)</b>	1,268,093
Including: Share of profit/(loss) of associates and joint ventures		<b>152,738</b>	(235,331)
Fair value losses		<b>(1,076,836)</b>	(72,013)
Gains on disposals of assets	10	<b>243,245</b>	16,902
<b>II. Operating profit</b>		<b>7,505,208</b>	13,471,549
Add: Non-operating income		<b>147,084</b>	123,969
Less: Non-operating expenses		<b>714,441</b>	300,459
<b>III. Profit before income tax</b>		<b>6,937,851</b>	13,295,059
Less: Income tax expenses	11	<b>2,336,709</b>	4,934,291
<b>IV. Net profit</b>		<b>4,601,142</b>	8,360,768
<b>Classified by business continuity</b>			
Net profit from continuing operations		<b>4,869,031</b>	7,906,427
Net loss from discontinued operations		<b>(267,889)</b>	454,341
<b>Classified by ownership</b>			
Net profit attributable to shareholders and other equity holders of the Company		<b>3,219,226</b>	6,665,323
Profit or loss attributable to minority shareholders		<b>1,381,916</b>	1,695,445



### 6.1.3 Consolidated Income Statement (audited) (Continued)

Unit: RMB thousand

Items	Notes	2022	2021
<b>V. Other comprehensive income, net of tax</b>		<b>262,044</b>	(236,094)
Attributable to shareholders and other equity holders of the Company		<b>280,650</b>	(135,879)
Items that will not be reclassified to profit or loss		<b>270,401</b>	(18,118)
Changes in fair value of other equity investments		<b>270,401</b>	(18,118)
Items that may be reclassified subsequently to profit or loss		<b>10,249</b>	(117,761)
The amount greater than the book value on the conversion date when investment properties were converted to investment properties using fair value measurement		<b>10,817</b>	–
Other comprehensive income that can be reclassified into profit or loss under the equity method		<b>207,436</b>	(288)
Currency translation differences		<b>(208,004)</b>	(117,473)
Minority interests		<b>(18,606)</b>	(100,215)
<b>VI. Total comprehensive income</b>		<b>4,863,186</b>	8,124,674
Attributable to shareholders and other equity holders of the Company		<b>3,499,876</b>	6,529,444
Minority interests		<b>1,363,310</b>	1,595,230
<b>VII. Earnings per share</b>			(adjusted)
Basic earnings per share (RMB)		<b>0.59</b>	1.20
Diluted earnings per share (RMB)		<b>0.57</b>	(adjusted) 1.20

## 6.1.4 Income Statement (audited)

Unit: RMB thousand

Items	2022	2021
<b>I. Revenue</b>	<b>275,951</b>	436,889
Less: Cost of sales	–	3,097
Taxes and surcharges	<b>7,495</b>	10,274
General and administrative expenses	<b>490,915</b>	624,931
Research and development expenses	<b>5,043</b>	2,185
Financial (income)/expenses	<b>(126,385)</b>	893,384
Including: Interest expenses	<b>537,425</b>	693,629
Interest income	<b>86,114</b>	20,873
Asset impairment losses	<b>60,000</b>	1,430,593
Credit impairment losses	<b>709,568</b>	285,813
Add: Other income	<b>1,281</b>	9,161
Investment income	<b>8,003,096</b>	5,447,274
Fair value losses	<b>(59,306)</b>	(33,809)
Gains on disposals of assets	<b>(46)</b>	(1,306)
<b>II. Operating profit</b>	<b>7,074,340</b>	2,607,932
Add: Non-operating income	<b>4,646</b>	18,849
Less: Non-operating expenses	<b>14,885</b>	5,470
<b>III. Profit before income tax</b>	<b>7,064,101</b>	2,621,311
Less: Income tax expenses	<b>(62,473)</b>	–
<b>IV. Net profit</b>	<b>7,126,574</b>	2,621,311
<b>Classified by business continuity</b>		
Net profit from continuing operations	<b>7,126,574</b>	2,621,311
Net profit from discontinued operations	–	–
<b>V. Other comprehensive income, net of tax</b>	<b>223,174</b>	30,873
Items that will not be reclassified to profit or loss	<b>187,419</b>	30,873
Changes in fair value of other equity investments	<b>187,419</b>	30,873
Items that may be reclassified to profit or loss	<b>35,755</b>	–
Other comprehensive income that can be reclassified into profit or loss under the equity method	<b>35,755</b>	–
<b>VI. Total comprehensive income</b>	<b>7,349,748</b>	2,652,184

### 6.1.5 Consolidated Cash Flow Statement (audited)

Unit: RMB thousand

Items	2022	2021
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	143,568,695	156,438,030
Refund of taxes and surcharges	4,904,465	6,368,331
Cash received relating to other operating activities	898,263	4,208,476
<b>Sub-total of cash inflows</b>	<b>149,371,423</b>	<b>167,014,837</b>
Cash paid for goods and services	114,386,900	125,264,769
Cash paid to and on behalf of employees	12,419,191	11,998,225
Payments of taxes and surcharges	4,057,409	4,578,363
Cash paid relating to other operating activities	3,890,457	4,598,825
<b>Sub-total of cash outflows</b>	<b>134,753,957</b>	<b>146,440,182</b>
<b>Net cash inflows from operating activities</b>	<b>14,617,466</b>	<b>20,574,655</b>
<b>II. Cash flows from investing activities</b>		
Cash received from disposal of investments	7,631,158	2,237,549
Cash received from returns on investments	409,332	1,738,009
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	580,506	858,803
Net cash received from disposal of subsidiaries	–	1,536,591
<b>Sub-total of cash inflows</b>	<b>8,620,996</b>	<b>6,370,952</b>
Net cash outflows from disposal of subsidiaries	254,858	–
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,560,827	6,683,162
Cash paid to acquire investments	10,401,047	2,508,029
Net cash paid to acquire subsidiaries	62,591	22,782
Cash paid relating to other investing activities	599,250	–
<b>Sub-total of cash outflows</b>	<b>14,878,573</b>	<b>9,213,973</b>
<b>Net cash outflows from investing activities</b>	<b>(6,257,577)</b>	<b>(2,843,021)</b>

### 6.1.5 Consolidated Cash Flow Statement (audited) (Continued)

Unit: RMB thousand

Items	2022	2021
<b>III. Cash flows from financing activities</b>		
Cash received from capital contributions	<b>3,004,057</b>	2,389,431
Including: Cash received from capital contributions by minority shareholders of subsidiaries	<b>3,004,057</b>	2,389,431
Cash received from borrowings	<b>10,072,787</b>	20,178,568
Cash received from issuing bond	<b>2,494,339</b>	1,356,055
Cash received relating to other financing activities	<b>–</b>	358,134
<b>Sub-total of cash inflows</b>	<b><u>15,571,183</u></b>	<u>24,282,188</u>
Cash repayments of borrowings	<b>19,948,267</b>	27,379,362
Cash payments for redemption of other equity instruments	<b>–</b>	4,318,396
Cash payments for distribution of dividends or profits and interest expenses	<b>4,479,671</b>	2,832,788
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	<b>871,969</b>	599,073
Cash payments relating to other financing activities	<b>906,602</b>	1,938,620
<b>Sub-total of cash outflows</b>	<b><u>25,334,540</u></b>	<u>36,469,166</u>
<b>Net cash outflows from financing activities</b>	<b><u>(9,763,357)</u></b>	<u>(12,186,978)</u>
<b>IV. Effect of foreign exchange rate changes on cash     and cash equivalents</b>	<b><u>785,780</u></b>	<u>(224,908)</u>
<b>V. Net (decrease)/increase in cash and cash equivalents</b>	<b>(617,688)</b>	5,319,748
Add: Cash and cash equivalents at the beginning of the year	<b><u>16,529,988</u></b>	<u>11,210,240</u>
<b>VI. Cash and cash equivalents at the end of the year</b>	<b><u><u>15,912,300</u></u></b>	<u><u>16,529,988</u></u>

### 6.1.6 Cash Flow Statement (audited)

Unit: RMB thousand

Items	2022	2021
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	300,004	559,905
Cash received relating to other operating activities	<u>117,432</u>	<u>100,855</u>
<b>Sub-total of cash inflows</b>	<u>417,436</u>	<u>660,760</u>
Cash paid to and on behalf of employees	193,407	347,697
Payments of taxes and surcharges	51,835	74,657
Cash paid relating to other operating activities	<u>215,219</u>	<u>188,498</u>
<b>Sub-total of cash outflows</b>	<u>460,461</u>	<u>610,852</u>
<b>Net cash flows (used in)/from operating activities</b>	<u>(43,025)</u>	<u>49,908</u>
<b>II. Cash flows from investing activities</b>		
Cash received from disposal of investments	19,205,370	18,791,849
Cash received from returns on investments	7,257,544	5,650,084
Net cash received from disposal of fixed assets	115	360
Net cash received from disposal of subsidiaries	<u>645,967</u>	<u>1,522,111</u>
<b>Sub-total of cash inflows</b>	<u>27,108,996</u>	<u>25,964,404</u>
Cash paid to acquire fixed assets and other long-term assets	29,762	35,432
Cash paid to acquire investments	7,155,896	1,571,428
Net cash paid to acquire subsidiaries	1,201,690	–
Cash paid in connection with other investing activities	<u>14,342,548</u>	<u>14,593,596</u>
<b>Sub-total of cash outflows</b>	<u>22,729,896</u>	<u>16,200,456</u>
<b>Net cash inflows from investing activities</b>	<u>4,379,100</u>	<u>9,763,948</u>

### 6.1.6 Cash Flow Statement (audited) (Continued)

Unit: RMB thousand

Items	2022	2021
<b>III. Cash flows from financing activities</b>		
Cash received from borrowings	3,865,000	3,340,000
Cash received from issuing bonds	2,494,339	–
Cash received relating to other financing activities	<u>3,150,000</u>	<u>4,784,660</u>
<b>Sub-total of cash inflows</b>	<u>9,509,339</u>	<u>8,124,660</u>
Cash repayments of borrowings	12,926,000	7,628,548
Cash payments for redemption of other equity instruments	–	4,318,396
Cash payments for distribution of dividends or profits and interest expenses	3,112,087	1,807,756
Cash payments relating to other financing activities	<u>329,597</u>	<u>2,001,881</u>
<b>Sub-total of cash outflows</b>	<u>16,367,684</u>	<u>15,756,581</u>
<b>Net cash outflows from financing activities</b>	<u>(6,858,345)</u>	<u>(7,631,921)</u>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<u>782</u>	<u>(2,202)</u>
<b>V. Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,521,488)</b>	2,179,733
Add: Cash and cash equivalents at the beginning of the year	<u>3,072,197</u>	<u>892,464</u>
<b>VI. Cash and cash equivalents at the end of the year</b>	<u><u>550,709</u></u>	<u><u>3,072,197</u></u>

### 6.1.7 Consolidated Statement of Changes in Shareholders' Equity (audited)

Unit: RMB thousand

Item	Notes	2022						2021											
		Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company								
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Minority shareholders' equity	Total equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Minority shareholders' equity	Total equity
I. Balance at 31 December 2021		3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,328	53,853,844		
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2022		3,595,014	-	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090	3,595,014	4,308,042	5,463,205	920,769	3,587,597	26,142,889	9,836,328	53,853,844		
III. Movements for the year																			
(I) Total comprehensive income																			
1. Net profit		-	55,435	-	-	-	3,163,791	1,381,916	4,601,142	-	175,272	-	-	-	6,490,051	1,695,445	8,360,768		
2. Other comprehensive income	IV.48	-	-	-	280,650	-	-	(18,606)	262,044	-	-	-	(135,879)	-	-	-	(100,215)	(236,094)	
Sub-total of I&2		-	55,435	-	280,650	-	3,163,791	1,363,310	4,863,186	-	175,272	-	(135,879)	-	6,490,051	1,595,230	8,124,674		
(II) Capital contribution and withdrawal by owners																			
1. Contributions by minority Shareholders	IV.47	-	-	727,796	-	-	-	1,873,121	2,600,917	-	-	46,097	-	-	-	-	2,021,722	2,067,819	
2. Increase in minority interests resulted from acquisition or establishment of subsidiary	V.II	-	-	-	-	-	-	45,079	45,079	-	-	-	-	-	-	-	282,940	282,940	
3. Acquisition of minority interests of subsidiaries	IV.47	-	-	(404,748)	-	-	-	(239,129)	(643,877)	-	-	(154,414)	-	-	-	-	(1,250,235)	(1,404,649)	
4. Disposal of subsidiaries (loss of control)	V.2	-	-	(175)	-	-	-	(358,312)	(358,487)	-	-	-	-	-	-	-	(53,426)	(53,426)	
5. Disposal of subsidiaries (without lose control)		-	-	70,354	-	-	-	283,344	352,698	-	-	-	-	-	-	-	-	-	
6. Increase in capital reserve resulted from share option exercised by subsidiary	IV.47	-	-	3,265	-	-	-	2,098	5,363	-	-	(22,957)	-	-	-	-	61,629	38,672	

### 6.1.7 Consolidated Statement of Changes in Shareholders' Equity (audited) (Continued)

Unit: RMB thousand

Item	Notes	2022						2021									
		Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company						
		Share capital	Other equity instruments	Capital surplus	Comprehensive income	Other	Share capital	Other equity instruments	Capital surplus	Comprehensive income	Other	Surplus reserve	Undistributed profits	Minority interest	Total equity		
7.	Increase in shareholders' equity resulted from share-based payments	IV.47	-	88,907	-	-	-	-	68,523	-	-	-	-	4,384	72,907		
8.	Issuance of other equity instruments	IX.2	-	-	-	-	-	-	-	-	-	-	-	-	-		
9.	Redemption of other equity instruments	IV.46	-	-	-	-	-	(4,300,000)	(18,396)	-	-	-	-	-	(4,318,396)		
10.	Issuance of convertible bonds by subsidiaries	IV.41	-	-	-	-	-	-	123,944	-	-	-	-	-	123,944		
11.	Increase in capital from capital reserve	IV.45	1,797,507	(1,797,507)	-	-	-	-	-	-	-	-	-	-	-		
12.	Others		-	(4,190)	-	-	-	-	18,094	-	-	-	-	-	18,094		
(III) Profit distribution																	
1.	Appropriation to surplus reserves	IV.49	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.	Profit distribution to shareholders	IV.50	-	-	-	-	-	-	(2,480,628)	(712,668)	-	-	(1,005,904)	(637,115)	(1,645,019)		
3.	Interest paid on other equity instruments	IV.46	-	-	-	-	-	-	-	-	-	-	-	-	-		
IV.	Balance at 31 December 2022		5,392,521	2,049,774	4,207,798	1,065,540	4,300,255	31,597,541	14,042,655	62,456,084	3,595,014	5,524,096	784,890	3,587,597	31,627,036	11,861,457	56,980,090



### 6.1.8 Statement of Changes in Shareholders' Equity (audited)

Unit: RMB thousand

Item	Notes	2022					2021				
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Total shareholders' equity
I. Balance at 31 December 2021		3,595,014	-	2,812,956	383,171	20,661,415	3,595,014	4,308,042	2,831,352	352,298	23,516,845
Change in accounting policies		-	-	-	-	-	-	-	-	-	
II. Balance at 1 January 2022		3,595,014	-	2,812,956	383,171	20,661,415	3,595,014	4,308,042	2,831,352	352,298	23,516,845
III. Movements for the year											
(I) Total comprehensive income											
1. Net profit		-	55,435	-	-	7,126,574	-	175,272	-	-	2,446,039
2. Other comprehensive income	XX.5	-	-	-	223,174	223,174	-	-	30,873	-	30,873
Sub-total of 1&2		-	55,435	-	223,174	7,349,748	-	175,272	30,873	-	2,446,039
(II) Capital contribution and withdrawal by owners											
1. Issuance of other equity instruments	IV.46	-	1,994,339	-	-	1,994,339	-	-	-	-	-
2. Redemption of other equity instruments	IV.46	-	-	-	-	-	-	(4,300,000)	(18,396)	-	(4,318,396)
3. Increase in capital from capital reserve		1,797,507	-	(1,797,507)	-	-	-	-	-	-	-
(III) Profit distribution											
1. Appropriation to surplus reserves	IV.49	-	-	-	-	-	-	-	-	-	-
2. Profit distribution to shareholders	IV.50	-	-	-	-	(2,480,628)	-	-	-	(1,005,904)	(1,005,904)
3. Interest paid on other equity instruments	IV.46	-	-	-	-	-	-	(183,314)	-	-	(183,314)
(IV) Others											
1. Retrospective adjustments on equity method of changing subsidiaries as associates		-	-	-	32,655	529,842	-	-	-	-	-
IV. Balance at 31 December 2022		5,392,521	2,049,774	1,015,449	639,000	28,054,716	3,595,014	-	2,812,956	383,171	20,661,415

## NOTES:

### 1. 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.

### 2. STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The 2022 annual financial statements of the Company are in compliance with the Accounting Standards for Business Enterprises, and truly and completely reflect the financial position of the consolidated and the Company as of 31 December 2022 and of their financial performance, cash flows and other information for the year then ended.

### 3. 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.

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 to its 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.

### 3. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Where the Company acquires a minority interest from a subsidiary's minority shareholders 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 (capital premium) in the consolidated balance sheet. If the credit balance of the capital reserve (capital premium) is insufficient, any excess is adjusted to retained earnings.

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

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.

#### 4(1) NOTES RECEIVABLES

Unit: RMB thousand

	31 December 2022	31 December 2021
Bank acceptance notes	445,085	685,874
Trade acceptance notes	195,520	263,721
Less: Provision for bad debts	<u>(1,443)</u>	<u>(1,627)</u>
Total	<u><u>639,162</u></u>	<u><u>947,968</u></u>

(a) *As at 31 December 2022, pledged notes receivable presented in the notes receivables of the Group were as follows:*

Unit: RMB thousand

	31 December 2022
Bank acceptance notes	<u>3,225</u>
	<u><u>3,225</u></u>

(b) *As at 31 December 2022, notes endorsed or discounted but not due, presented as notes receivables of the Group was as follows:*

Unit: RMB thousand

	Derecognized	Not derecognized
Bank acceptance notes (i)	–	231,867
Trade acceptance notes	<u>–</u>	<u>38,530</u>
	<u><u>–</u></u>	<u><u>270,397</u></u>

(i) Some subsidiaries of the Group discount and endorse some bank acceptance bills according to the needs of their daily fund management, so they are classified as financial assets measured at fair value and their changes are included in other comprehensive income and listed as receivables financing.

(c) **Provision for bad debts**

The Group's bills receivables are all generated from daily business activities such as sales of goods and provision of labor services. Regardless of whether there is a significant financing component, the loss provision is measured based on the expected credit loss of the entire duration. As at 31 December 2022, the Group's provision for bad debts based on lifetime expected credit losses was RMB1,443,000 (31 December 2021: RMB1,627,000).

## 4(2) ACCOUNTS RECEIVABLES

Unit: RMB thousand

	<b>31 December 2022</b>	31 December 2021
Accounts receivables	23,277,217	26,931,012
Less: Provision for bad debts	<u>(990,615)</u>	<u>(1,439,831)</u>
	<u><b>22,286,602</b></u>	<u><b>25,491,181</b></u>

(a) *The aging analysis of accounts receivables from the date of the initial recognition was as follows:*

Unit: RMB thousand

	<b>31 December 2022</b>	31 December 2021
Within 1 year (inclusive)	20,363,326	24,567,260
1 to 2 years (inclusive)	1,865,027	1,090,772
2 to 3 years (inclusive)	418,628	955,662
Over 3 years	<u>630,236</u>	<u>317,318</u>
	<u><b>23,277,217</b></u>	<u><b>26,931,012</b></u>

(b) *As at 31 December 2022, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:*

Unit: RMB thousand

	<b>Book balance</b>	<b>Provision for bad debts</b>	<b>% of total accounts receivables</b>
Total of the five largest accounts receivables	<u>3,185,288</u>	<u>18,230</u>	<u>13.68%</u>

(c) *Accounts receivables derecognised due to transfer of financial assets:*

In 2022 and 2021, the Group has no accounts receivables derecognised due to transfer of financial asset.

**(d) Provision for bad debts**

For the receivables of the Group, whether there is a significant financing component or not, the loss provision is measured according to lifetime expected credit losses.

- (i) As at 31 December 2022, accounts receivables with amounts that the related provision for bad debts was set aside on the individual basis are analysed as follows:

Unit: RMB thousand

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Containers manufacturing	308,013	1.90%	5,849	
Energy, chemical and liquid food equipment	75,993	99.40%	75,537	Measured
Airport facilities and logistics equipment, fire safety and rescue equipment	162,053	91.31%	147,977	provision as lifetime expected credit losses
Logistics services	<u>18,663</u>	100.00%	<u>18,663</u>	
	<u>564,722</u>		<u>248,026</u>	

- (ii) As at 31 December 2022, accounts receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed 1 – Containers manufacturing business:

Unit: RMB thousand

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	3,620,587	0.02%	851	10,228,172	0.09%	9,204
Overdue within 1 month	284,149	0.23%	658	218,802	0.70%	1,530
Overdue 1 to 3 months	1,090,325	0.57%	6,223	230,280	1.07%	2,462
Overdue 3 to 12 months	683,708	2.28%	15,613	85,626	2.96%	2,538
Overdue 1 to 2 years	137,231	5.59%	7,671	25,352	6.61%	1,676
Overdue 2 to 3 years	-	-	-	47,171	100.00%	47,171
Overdue 3 to 5 years	-	-	-	1,648	100.00%	1,648
	<u>5,816,000</u>		<u>31,016</u>	<u>10,837,051</u>		<u>66,229</u>

Collectively assessed 2 – Road transportation vehicles business:

*Unit: RMB thousand*

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount
Not overdue	2,246,529	2.29%	51,376	1,937,308	2.16%	41,848
Overdue within 1 month	338,498	5.09%	17,243	195,196	3.84%	7,491
Overdue 1 to 3 months	165,745	5.09%	8,442	120,993	3.84%	4,643
Overdue 3 to 12 months	307,093	5.09%	15,643	550,858	3.84%	21,140
Overdue 1 to 2 years	114,183	29.23%	33,377	63,293	24.42%	15,459
Overdue 2 to 3 years	8,506	82.45%	7,013	21,490	81.68%	17,553
Overdue 3 to 5 years	19,551	96.65%	18,896	13,803	99.18%	13,690
Overdue for more than 5 years	21,844	96.65%	21,112	26,023	99.18%	25,809
	<u>3,221,949</u>		<u>173,102</u>	<u>2,928,964</u>		<u>147,633</u>

Collectively assessed 3 – Energy, chemical and liquid food equipment business:

*Unit: RMB thousand*

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount
Not overdue	2,474,321	1.91%	47,184	2,086,386	3.23%	67,336
Overdue within 1 month	296,032	6.23%	18,430	162,250	4.40%	7,144
Overdue 1 to 3 months	146,035	6.23%	9,091	74,583	4.40%	3,284
Overdue 3 to 12 months	201,037	8.96%	18,017	130,828	6.03%	7,891
Overdue 1 to 2 years	67,118	29.72%	19,948	124,035	33.84%	41,973
Overdue 2 to 3 years	63,522	46.18%	29,337	55,467	47.52%	26,356
Overdue 3 to 5 years	15,164	89.69%	13,601	39,973	78.70%	31,459
Overdue for more than 5 years	32,987	100.00%	32,987	51,550	100.00%	51,550
	<u>3,296,216</u>		<u>188,595</u>	<u>2,725,072</u>		<u>236,993</u>

Collectively assessed 4 – Offshore engineering business:

Unit: RMB thousand

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,756,411	0.34%	5,971	210,653	0.54%	1,138
Overdue within 1 month	–	–	–	533,568	1.00%	5,336
Overdue 1 to 3 months	–	–	–	52,165	1.00%	522
Overdue 3 to 12 months	–	–	–	86,318	1.20%	1,036
Overdue 1 to 2 years	–	–	–	19,714	3.37%	664
Overdue 2 to 3 years	19,714	75.15%	14,816	21,634	97.53%	21,100
Overdue 3 to 5 years	21,634	100.00%	21,634	1,252	100.00%	1,252
Overdue for more than 5 years	1,252	100.00%	1,252	–	–	–
	<b>1,799,011</b>		<b>43,673</b>	<b>925,304</b>		<b>31,048</b>

Collectively assessed 5 – Airport facilities and logistics equipment, fire safety and rescue equipment business:

Unit: RMB thousand

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,892,118	0.85%	16,076	1,100,832	0.72%	7,946
Overdue within 1 month	141,180	5.50%	7,761	190,115	4.57%	8,692
Overdue 1 to 3 months	112,457	5.50%	6,181	95,857	4.57%	4,382
Overdue 3 to 12 months	589,146	5.50%	32,386	480,372	4.57%	21,962
Overdue 1 to 2 years	244,551	16.78%	41,037	170,584	12.65%	21,572
Overdue 2 to 3 years	75,532	42.85%	32,369	93,768	36.38%	34,114
Overdue for more than 3 years	89,229	69.04%	61,600	79,288	56.69%	44,952
	<b>3,144,213</b>		<b>197,410</b>	<b>2,210,816</b>		<b>143,620</b>



Collectively assessed 6 – Logistics services business:

*Unit: RMB thousand*

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount
Not overdue	1,913,596	1.02%	19,529	3,071,892	0.92%	28,414
Overdue within 1 month	322,281	1.78%	5,740	248,664	1.77%	4,390
Overdue 1 to 3 months	165,488	1.78%	2,947	111,730	3.96%	4,426
Overdue 3 to 12 months	200,478	1.78%	3,570	49,794	11.99%	5,969
Overdue 1 to 2 years	29,700	20.00%	5,940	40,063	46.62%	18,677
Overdue 2 to 3 years	11,085	80.00%	8,868	13,900	100.00%	13,900
Overdue for more than 3 years	13,689	100.00%	13,689	3,389	100.00%	3,389
	<u>2,656,317</u>		<u>60,283</u>	<u>3,539,432</u>		<u>79,165</u>

Collectively assessed 7 – Recycled load business:

*Unit: RMB thousand*

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount	Book balance	Provision for bad debts Lifetime expected credit losses rate	Amount
Not overdue	575,850	1.03%	5,950	393,692	1.34%	5,283
Overdue within 1 month	24,194	3.23%	781	60,290	4.09%	2,463
Overdue 1 to 3 months	65,772	3.72%	2,448	4,782	4.58%	219
Overdue 3 to 12 months	41,500	9.30%	3,858	–	–	–
Overdue 1 to 2 years	5,578	64.31%	3,587	589	43.63%	257
Overdue for more than 2 years	1,020	100.00%	1,020	431	100.00%	431
	<u>713,914</u>		<u>17,644</u>	<u>459,784</u>		<u>8,653</u>

Collectively assessed 8 – Other business:

*Unit: RMB thousand*

	31 December 2022			31 December 2021		
	Book balance	Provision for bad debts	Lifetime expected credit losses	Book balance	Provision for bad debts	Lifetime expected credit losses
	Amount	rate	Amount	Amount	rate	Amount
Not overdue	1,736,200	0.05%	851	2,066,339	2.21%	45,586
Overdue within 1 month	212,922	1.03%	2,194	45,106	6.37%	2,871
Overdue 1 to 3 months	43,675	5.36%	2,341	53,620	8.47%	4,542
Overdue 3 to 12 months	47,846	8.13%	3,888	164,932	28.36%	46,767
Overdue 1 to 2 years	20,664	87.23%	18,024	12,279	83.35%	10,234
Overdue for more than 2 years	3,568	100.00%	3,568	18,828	100.00%	18,828
	<u>2,064,875</u>		<u>30,866</u>	<u>2,361,104</u>		<u>128,828</u>

- (e) The provision for bad debts this year amounted to RMB402,948,000 (2021: RMB473,944,000). A provision for bad debts amounted to RMB129,779,000 has been collected or reversed (2021: RMB164,395,000).
- (f) The accounts receivables amounted to RMB179,963,000 was written off in current year (2021: RMB67,642,000), the provision for bad debts was amounted to RMB179,963,000 in current year (2021: RMB67,642,000).
- (g) As at 31 December 2022, the Group has no accounts receivables (2021: 6,400,000) pledged to the bank as a guarantee for short-term borrowings.

**5(a) NOTES PAYABLES***Unit: RMB thousand*

	<b>31 December 2022</b>	31 December 2021
Bank acceptance notes	<b>2,890,573</b>	4,638,473
Trade acceptance notes	<b>239,343</b>	577,248
	<hr/>	<hr/>
Total	<b><u>3,129,916</u></b>	<b><u>5,215,721</u></b>

**5(b) ACCOUNTS PAYABLES***Unit: RMB thousand*

	<b>31 December 2022</b>	31 December 2021
Due to raw material suppliers	<b>12,528,639</b>	13,182,641
Integrated logistics services charges	<b>1,964,876</b>	2,418,339
Equipment procurement charges	<b>611,084</b>	569,799
Project procurement charges	<b>385,091</b>	94,245
Transportation charges	<b>203,689</b>	48,315
Project contracts charges	<b>154,616</b>	662,646
Processing charges	<b>153,146</b>	170,304
Others	<b>561,005</b>	358,449
	<hr/>	<hr/>
	<b><u>16,562,146</u></b>	<b><u>17,504,738</u></b>

(1) The aging of accounts payables according to the date of its entry is as follows:

Unit: RMB thousand

	<b>31 December 2022</b>	31 December 2021
Within 1 year (inclusive)	<b>15,613,357</b>	16,846,937
1 to 2 years (inclusive)	<b>527,616</b>	262,336
2 to 3 years (inclusive)	<b>260,452</b>	181,432
Over 3 years	<b>160,721</b>	214,033
	<u><b>16,562,146</b></u>	<u>17,504,738</u>
Total	<u><b>16,562,146</b></u>	<u>17,504,738</u>

As at 31 December 2022, accounts payables over 1 year with a carrying amount of RMB948,789,000 (31 December 2021: 657,801,000) were mainly payables related to offshore engineering business, energy and chemicals business. Since the production cycle of the offshore engineering business, energy and chemicals business was usually more than one year, the payables have not yet been settled.

## 6. UNDISTRIBUTED PROFITS

Unit: RMB thousand

	<i>Note</i>	<b>2022</b>	2021
Undistributed profit at the beginning of the year		<b>31,627,036</b>	26,142,889
Add: net profit attributable to the shareholders and other equity holders of the company for the current year		<b>3,219,226</b>	6,665,323
Less: equity attribute to holders of other equity investments in current year		<b>(55,435)</b>	(175,272)
Less: appropriation for surplus reserve		<b>(712,658)</b>	–
Less: ordinary share dividends payable	(1)	<b>(2,480,628)</b>	(1,005,904)
		<u><b>31,597,541</b></u>	<u>31,627,036</u>
Undistributed profits at the end of the year		<u><b>31,597,541</b></u>	<u>31,627,036</u>

### (1) Dividends of ordinary shares declared during the year

Unit: RMB thousand

	<b>2022</b>	2021
Total proposed dividends in the year	<u><b>2,480,628</b></u>	<u>1,005,904</u>

Approved by the shareholders' general meeting on 28 June 2022, the Company distributed cash dividends to ordinary shareholders on 18 August 2022, at RMB0.69 per share (2021: RMB0.28 per share), totaling RMB2,480,628,000 (2021: RMB1,005,904,000).

## 7. REVENUE AND COST OF SALES

Unit: RMB thousand

	2022	2021
Revenue from main operations	139,417,190	160,410,075
Revenue from other operations	2,119,464	3,285,905
Total	<u>141,536,654</u>	<u>163,695,980</u>
Cost of sales from main operations	118,174,854	132,360,959
Cost of sales from other operations	1,736,896	1,814,990
Total	<u>119,911,750</u>	<u>134,175,949</u>

## 8. ASSET IMPAIRMENT LOSSES

Unit: RMB thousand

	2022	2021
Fixed assets	118,449	1,851,866
Assets held for sale	110,560	–
Inventories and costs incurred to fulfill a contract	76,215	952,196
Goodwill	65,922	12,731
Construction in progress	42,122	1,237,544
Long-term equity investments	35,750	36,334
Intangible assets	5,959	198,703
Contract Asset	3,913	34,156
Advance bad debt (reversal)/loss	(265)	451
Total	<u>458,625</u>	<u>4,323,981</u>

## 9. CREDIT IMPAIRMENT LOSSES

Unit: RMB thousand

	2022	2021
Bad debt loss of accounts receivable	273,169	309,549
Other receivables bad debt loss	54,533	236,702
Long-term receivables (including current portion of non-current assets)	2,858	83,301
Financial guarantee contracts (reversal)/loss	(11,256)	9,714
Receivables financing bad debt (reversal)	(644)	(203)
Notes receivables bad debt (reversal)	(332)	(8,319)
Total	<u>318,328</u>	<u>630,744</u>

## 10. GAIN ON DISPOSAL OF ASSETS

Unit: RMB thousand

	2022	2021	Amount recognized in non-recurring profit or loss for 2022
Gains on disposals of fixed asset (i)	231,407	14,119	231,407
(Losses)/gains on disposals of intangible assets	(754)	2,783	(754)
Gains on disposals of other assets	<u>12,592</u>	<u>—</u>	<u>12,592</u>
	<u><b>243,245</b></u>	<u><b>16,902</b></u>	<u><b>243,245</b></u>

- (i) Mainly due to the fact that the plant of Qingdao CIMC Special Vehicle Co., Ltd. was expropriated by the government, resulting in the gains on disposal of assets of RMB233,784,000.

## 11. INCOME TAX EXPENSES

Unit: RMB thousand

	2022	2021
Current income tax calculated based on tax law and related regulations	5,497,641	4,797,150
Deferred income tax	<u>(3,160,932)</u>	<u>137,141</u>
Total	<u><b>2,336,709</b></u>	<u><b>4,934,291</b></u>

Reconciliation between tax expense and accounting profit at applicable tax rates

Unit: RMB thousand

	2022	2021
Profit before tax	6,937,851	13,295,059
Income tax calculated at applicable tax rates (25%)	1,734,463	3,323,765
Effect of using different tax rates for subsidiaries	345,004	1,255,811
Effect of tax incentive	(136,456)	(353,610)
Cost, expenses and losses not deductible	195,788	313,694
Other income not subject to tax	(61,281)	(108,106)
Deductible losses in previously unrecognized deferred income	(38,629)	(73,083)
Deductible losses in unrecognized deferred income tax assets	198,085	529,888
Deductible temporary differences in unrecognized deferred tax asset	112,745	64,616
Deductible temporary differences for which no deferred tax asset was recognized in previous years	(1,453)	(1,005)
Effect of tax rate change on deferred tax	(442)	1,121
Tax refund for income tax annual filing	<u>(11,115)</u>	<u>(18,800)</u>
Income tax expense	<u><b>2,336,709</b></u>	<u><b>4,934,291</b></u>

The income tax rates applicable to the Group and the major subsidiaries for the year are as follows:

	2022	2021
The Company	25%	25%
Subsidiaries registered in China	15–25%	15–25%
Subsidiaries registered in China Hong Kong	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%	19%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25.8%	25%
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%

## 12. 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:

	2022	2021 (Adjusted)
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company (RMB'000)	3,219,226	6,665,323
Less: Equity attributable to holders of other equity instruments (RMB'000)	<u>(55,435)</u>	<u>(175,272)</u>
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company (RMB'000)	3,163,791	6,490,051
Weighted-average number of ordinary shares outstanding ('000) (i)	<u>5,392,521</u>	<u>5,392,521</u>
Basic earnings per share (RMB/share)	<u>0.59</u>	<u>1.20</u>
Including: Basic earnings per share from continuing operations	0.64	1.12
Basic earnings per share from discontinued operations	<u>(0.05)</u>	<u>0.08</u>

- (i) According to the Company's equity distribution plan for 2021, the total share capital of the Company increased from 3,595,014,000 shares before the equity distribution to 5,392,521,000 shares after the equity distribution by way of conversion of capital reserve, and earnings per share and diluted earnings per share for the comparative period 2021 have been recalculated according to the number of shares after the adjustment.

## (2) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding of the Company:

	2022	2021 (Adjusted)
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company (RMB'000)	3,219,226	6,665,323
Influence of the issuing of the perpetual bonds by the Company (RMB'000)	(55,435)	(175,272)
Influence of share option program by subsidiaries (RMB'000)	<u>(100,084)</u>	<u>(26,049)</u>
Consolidated net profit (adjusted) attributable to ordinary shareholders of the Company (RMB'000)	3,063,707	6,464,002
Weighted-average number of ordinary shares outstanding (diluted) ('000) (adjusted)	<u>5,392,521</u>	<u>5,392,521</u>
Diluted earnings per share (RMB/share)	<u><u>0.57</u></u>	<u><u>1.20</u></u>

## 13. SEGMENT REPORTING

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, special payables 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.



Segment information as at and for the year ended 31 December 2022 is as follows:

Unit: RMB thousand

Item	Containers	Road	Energy,	Offshore	Airport	Logistics	Finance	Recycled	Others	Elimination between segments and unallocated amounts	Total
	manufacturing	transportation	chemical and liquid food equipment	engineering	facilities and logistics equipment, fire safety and rescue equipment	services	and asset management	load			
	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
External transaction	43,920,975	23,384,796	21,027,970	5,600,691	6,623,542	29,241,372	1,550,446	4,676,508	8,001,726	(2,491,372)	141,536,654
Inter segment transaction	1,789,848	235,816	222,425	169,950	48,380	104,981	158,345	172,827	1,302,221	(4,204,793)	-
Cost of sales from main operations	34,942,427	20,483,415	17,636,553	5,373,997	5,228,335	27,776,704	1,669,435	4,053,497	8,224,162	(5,476,775)	119,911,750
Investment income/(loss) in joint ventures and associates	20,782	(8,688)	5,577	(25,865)	7,116	50,008	(12,043)	668	115,183	-	152,738
Impairment and credit loss for the year	4,278	68,893	137,380	1,681	90,517	7,401	231,094	3,032	211,787	20,890	776,953
Depreciation and amortization expenses	583,828	549,559	401,869	244,171	147,414	204,057	1,241,761	201,347	278,220	(337,822)	3,514,404
Interest income	253,838	73,300	20,877	13,303	6,956	12,953	269,298	14,758	1,327,207	(1,670,138)	322,352
Interest expenses	23,614	50,325	80,159	295,930	59,084	57,063	1,109,529	16,444	1,282,205	(1,638,951)	1,335,402
Total profit/(loss)	6,649,944	1,474,779	1,281,183	(326,833)	257,577	576,435	(1,256,381)	355,247	3,335,497	(5,409,597)	6,937,851
Income tax expenses	1,391,770	361,172	239,298	7,000	60,284	201,079	101,463	67,768	(95,239)	2,114	2,336,709
Net profit/(loss)	5,258,174	1,113,607	1,041,885	(333,833)	197,293	375,356	(1,357,844)	287,479	3,430,736	(5,411,711)	4,601,142
Segment total assets	30,557,573	21,961,223	22,857,905	15,089,113	9,416,563	7,241,637	34,859,427	3,423,665	49,971,712	(49,478,869)	145,899,949
Segment total liabilities	12,164,931	8,736,027	13,374,003	17,314,781	6,245,503	4,353,801	39,379,060	1,280,710	42,857,485	(62,462,436)	83,243,865
Supplementary information:											
- Other non-cash (income)/expenses other than depreciation and amortization	(326,698)	26	39,361	(46,567)	153,529	(80,748)	173,893	7,808	979,631	(223,132)	677,103
- Long-term equity investment of joint ventures and associates	651,997	81,135	183,233	359,870	36,310	403,318	72,257	3,464	8,740,043	-	10,531,627
- Amount of additions to other non- current assets other than long-term equity investment, financial assets and deferred tax assets	2,064,604	640,218	550,263	201,026	190,477	218,030	16,766	356,205	329,187	(301,295)	4,265,481

Segment information as at and for the year ended 31 December 2021 is as follows:

Unit: RMB thousand

Item	Containers manufacturing 2021	Road Transportation vehicles 2021	Energy, chemical and liquid food equipment 2021	Offshore engineering 2021	Airport facilities and logistics equipment, fire safety equipment 2021	Logistics services 2021	Finance and asset management 2021	Recycled load 2021	Others 2021	Elimination between segments and unallocated amounts 2021	Total 2021
External transaction	63,563,501	27,382,852	19,156,364	5,055,086	6,746,488	29,225,142	3,653,561	5,457,816	5,089,554	(1,634,384)	163,695,980
Inter segment transaction	2,403,810	264,910	371,705	385,406	95,494	245,765	109,870	558,704	1,630,233	(6,065,897)	-
Cost of sales	49,053,590	24,600,777	16,517,674	5,463,000	5,396,581	27,393,038	2,289,917	4,874,520	6,016,870	(7,430,018)	134,175,949
Investment income/(loss) in joint ventures and associates	24,056	(3,916)	(9,266)	(8,133)	3,376	29,623	39,852	16,025	(326,948)	-	(235,331)
Impairment and credit loss for the year	25,493	67,548	118,439	1,503,601	208,581	81,260	3,245,789	1,286	417,770	(715,042)	4,954,725
Depreciation and amortization expenses	402,437	516,356	394,779	545,144	180,156	243,053	1,107,263	122,413	174,614	(351,116)	3,335,099
Interest income	203,077	62,039	80,164	49,376	10,263	10,334	221,679	12,961	1,639,709	(1,939,384)	350,218
Interest expenses	97,951	45,887	115,602	923,974	62,499	34,122	212,513	28,539	1,606,773	(1,759,336)	1,368,524
Total profit/(loss)	14,752,166	1,176,166	1,106,720	(1,925,420)	218,815	776,287	(1,975,896)	670,090	(16,335)	(1,487,534)	13,295,059
Income tax expenses	3,425,618	188,503	221,922	92,840	25,790	234,456	427,334	92,706	405,917	(180,795)	4,934,291
Net profit/(loss)	11,326,548	987,663	884,798	(2,018,260)	193,025	541,831	(2,403,230)	577,384	(422,252)	(1,306,739)	8,360,768
Segment total assets	35,047,821	21,539,862	19,457,925	36,241,755	8,663,681	8,171,244	51,766,290	3,785,917	42,940,380	(73,292,374)	154,322,501
Segment total liabilities	15,606,275	9,260,084	11,160,078	41,104,210	5,993,657	6,286,158	51,958,553	2,214,989	45,817,817	(92,059,410)	97,342,411
Supplementary information:											
- Other non-cash (income)/expenses other than depreciation and amortisation	286,892	104,961	109,962	1,482,462	150,419	92,025	3,215,370	3,409	590,273	(641,692)	5,394,081
- Long-term equity investment of joint ventures and associates	667,294	47,080	174,110	204,316	33,525	405,832	538,267	58,288	6,340,745	-	8,469,457
- Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax assets	2,418,796	1,281,260	1,130,830	123,329	312,492	707,004	8,292,449	499,390	470,747	(7,206,162)	8,030,135

## 14. CONTINGENCIES

### (1) Guarantees provided for external parties

CIMC Vehicle, a subsidiary of the Group, signed contracts with China Merchants Bank, China Guangfa Bank, Huishang Bank and Industrial Bank, for the buyer credit business and loan guarantees, to provide guarantees for the facilities of vehicle purchase offered by such banks to distributors and customers of the Group and its subsidiaries. As at 31 December 2022, the aggregate amount of credit facilities in respect of which the Group and its subsidiaries provided guarantees to the distributors and customers was RMB1,352,756,000 (31 December 2021: RMB2,151,916,000). The Group does not expect that the credit risk of the above guarantees has significantly increased since initial recognition, thus measures the allowance for those commitments at an amount equal to 12-month expected credit losses.

The Group's subsidiary, C&C Trucks and its holding subsidiaries carried out vehicle buyer credit business and signed vehicle loan guarantee contracts with external banks, providing credit guarantee to the relevant banks for their financing to the distributors and customers of C&C Trucks and its subsidiaries arising from purchase of vehicle products. As at 31 December 2022, the aggregate amount of credit facilities of the distributors and customers in respect of which C&C Trucks and its subsidiaries provided guarantees was approximately RMB315,471,000 (31 December 2021: RMB571,527,000). The Group does not expect that the credit risk of the above guarantees has significantly increased since initial recognition, thus measures the allowance for those commitments at an amount equal to 12-month expected credit losses.

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd. cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank in mortgage credit cooperation and signed a property loan guarantee contract, providing phased guarantees for the loans that the customers of the company obtained from the relevant banks for purchasing properties. As of 31 December 2022, the aggregate customer financing loans for which Shaanxi Vehicles Industrial Park provided guarantees, were approximately RMB9,015,000 (31 December 2021: RMB11,459,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company entered into a guarantee agreement with the relevant banks to provide guarantee for the loans of CIMC Industry & City and its subsidiaries. As at 31 December 2022, the amount for which the Company provided guarantees was RMB282,851,000 (31 December 2021: RMB605,002,000). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

A controlling subsidiary of CIMC Enric, a subsidiary of the Group, signed contracts with China Everbright Bank to provide guarantees for the facilities offered by such banks to Yichuan Tianyun Clean Energy Co., Ltd. (宜川縣天韻清潔能源有限公司). As at 31 December 2022, the aggregate amount of credit facilities in respect of which a subsidiary of CIMC Enric provided guarantees was approximately RMB34,051,000 (31 December 2021: Nil). The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

The Company and its subsidiaries entered into guarantee agreements with the relevant banks to provide guarantee for the financing business of CIMC Financial Leasing and its subsidiaries. As at 31 December 2022, the amount for which the Company and its subsidiaries provided guarantees was RMB1,574,226,000. The credit risk of the guarantee is assessed to be low and the Group has not made any provision for expected credit losses.

## **(2) Outstanding letters of credit issued and outstanding performance guarantees issued**

The Group does not recognise letter of credit issued as deposits. As at 31 December 2022, the Group had issued outstanding letters of credit RMB35,887,000 (31 December 2021: RMB270,576,000).

As at 31 December 2022, the Company had outstanding balance of guarantees issued for subsidiaries of the Group of RMB696,675,000, USD556,725,000 (equivalent to RMB3,877,368,000), GBP4,295,000 (equivalent to RMB36,054,000) and HKD132,344,000 (equivalent to RMB118,219,000), respectively, totaling RMB4,728,316,000 (31 December 2021: RMB4,974,310,000).

As at 31 December 2022, the outstanding balance of guarantees of the Group's subsidiary issued by the bank was RMB2,603,264,000, mainly including the balance of advance payment guarantees of RMB366,142,000, the balance of quality guarantees (including foreign guarantees) of RMB59,000,000, the balance of other non-financing guarantees of RMB1,524,181,000 and the balance of performance guarantees of RMB628,572,000 (31 December 2021: RMB2,620,239,000).

## 15. COMMITMENTS

### Capital expenditure commitments

*Capital expenditure commitments contracted for but not yet necessary to be recognised on the balance sheet*

*Unit: RMB thousand*

	2022	2021
Foreign investment contracts	–	6,909,984
Vessels manufactured for sales or lease	–	265,320
Fixed assets purchase and construction contracts	<u>131,846</u>	<u>22,382</u>
	<u><b>131,846</b></u>	<u><b>7,197,686</b></u>

## 16. NET CURRENT ASSETS

*Unit: RMB thousand*

	<b>The Group</b>	
	<b>31 December 2022</b>	31 December 2021
Current assets	<b>76,984,186</b>	81,457,379
Less: current liabilities	<u><b>62,998,154</b></u>	<u>69,422,602</u>
Net current assets	<u><b>13,986,032</b></u>	<u>12,034,777</u>

  

	<b>The Company</b>	
	<b>31 December 2022</b>	31 December 2021
Current assets	<b>25,689,993</b>	27,538,705
Less: current liabilities	<u><b>10,558,304</b></u>	<u>17,126,602</u>
Net current assets	<u><b>15,131,689</b></u>	<u>10,412,103</u>

## 17. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB thousand

	The Group	
	31 December 2022	31 December 2021
TOTAL ASSETS	145,899,949	154,322,501
Less: current liabilities	<u>62,998,154</u>	<u>69,422,602</u>
Total assets less current liabilities	<u><u>82,901,795</u></u>	<u><u>84,899,899</u></u>

  

	The Company	
	31 December 2022	31 December 2021
TOTAL ASSETS	41,857,100	41,645,371
Less: current liabilities	<u>10,558,304</u>	<u>17,126,602</u>
Total assets less current liabilities	<u><u>31,298,796</u></u>	<u><u>24,518,769</u></u>

## 18. EVENTS AFTER THE BALANCE SHEET DATE

### 1. Dividend distribution after the balance sheet date

Unit: RMB thousand

Dividend proposed (Note (1))	<u><u>970,654</u></u>
------------------------------	-----------------------

#### (1) Dividend for ordinary shares proposed after the balance sheet date

On 28 March 2023, the board of directors of the Company proposed to distribute a dividend of RMB0.18 per share (inclusive of tax) in cash to all shareholders without bonus shares or the conversion of capital reserve. The amount of dividend calculated based on the number of shares as at 31 December 2022 was approximately RMB970,654,000. This proposal is yet to be considered and approved at 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. Issuance of 2023 First Tranche of Super Short-term Commercial Papers after the balance sheet date

On 17 January 2023, the Company completed the issuance of the First Tranche of Super Short-term Commercial Papers for 2022, and the proceeds were fully received on 17 January 2023. The issuance amount of the First Tranche of Super Short-term Commercial Papers was RMB0.5 billion with an issue rate of 2.21% per annum and a term of 150 days. The proceeds from the issuance of the First Tranche of Super Short-term Commercial Papers will be used for repaying the Company's debts as they fall due.

### 3. Completion of the strategic restructuring of C&C Trucks

On 12 October 2022, the Board approved the restructuring of C&C Trucks and Chery Commercial Vehicle (Anhui) Co., Ltd., Wuhu Industrial Investment Fund Company Limited and Wuhu Xingzhong Venture Capital Co., Ltd. As at 31 December 2022, the Restructuring Agreement and the Equity Transfer Agreement have been signed, and the Restructuring Transaction includes four transaction steps, i.e. equity collection, debt-to-equity conversion, old stock transfer and capital increase for C&C Trucks. The Restructuring Transaction had been completed on 15 March 2023, and the shareholding of the Company in C&C Trucks decreased from 73.89% to 35.42%. C&C Trucks became an associated company of the Company, and was no longer a holding subsidiary of the Company.

### 19. THE TOTAL FUTURE OPERATING LEASE RECEIPTS AFTER THE BALANCE SHEET DATE

The undiscounted amounts of total future lease receipts receivable by the Group, as a lessor, after the balance sheet date are as follows:

*Unit: RMB thousand*

	<b>31 December 2022</b>	31 December 2021
Within 1 year	<b>1,008,126</b>	1,289,911
1 to 2 years	<b>1,033,739</b>	761,693
2 to 3 years	<b>634,739</b>	369,636
3 to 4 years	<b>206,038</b>	186,437
4 to 5 years	<b>210,882</b>	116,357
Over 5 years	<b>114,000</b>	261,722
	<b><u>3,207,524</u></b>	<b><u>2,985,756</u></b>

By order of the Board  
**China International Marine Containers (Group) Co., Ltd.**  
**WU Sanqiang**  
*Joint Company Secretary*

Hong Kong, 28 March 2023

*As at the date of this announcement, the Board comprises Mr. MAI Boliang (Chairman) as an executive Director; Mr. ZHU Zhiqiang (Vice-chairman), Mr. HU Xianfu (Vice-chairman), Mr. SUN Huirong and Mr. DENG Weidong as non-executive Directors; and Mr. YANG Xiong, Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel as independent non-executive Directors.*