

Stock Code: 600320 900947

Stock Name: Zhenhua Heavy Zhenhua B-share

Shanghai Zhenhua Heavy Industries Co., Ltd. Annual Report 2023

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	Financial statements affixed with the signature and seal of legal representative, person in charge of accounting work and person in charge of accounting agency.
List of Reference Documents	Original auditors' report stamped by the accounting firm and signed and stamped with the certified public accountants.
	Original copies of the documents and announcements of the Company published on the newspaper designated by the CSRC during the reporting period.

* This Report has been prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Important Notice

I. The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company hereby guarantee the truthfulness, accuracy and completeness of the contents carried in this annual report, guarantee no false record, serious misleading statement or great omission carried in this annual report and guarantee to assume the legal responsibilities jointly and separately.

II. All directors of the Company are present at the board meeting.

III. Ernst & Young Hua Ming LLP issued a standard audit report with unqualified opinions for the Company.

IV. You Ruikai, chairman of the Company, Zhu Xiaohuai, person in charge of accounting work, and Sun Guangbo, person in charge of accounting agency (accountant in charge) hereby declare that the financial statements in this annual report are authentic, accurate and complete.

V. Proposal for profit distribution or common reserves capitalizing during the reporting period reviewed by the board of directors

As audited by Ernst & Young Hua Ming LLP, the Company achieved a net profit attributable to the owners of the parent company of approximately RMB 520 million in 2023. As at December 31, 2023, the undistributed profit of the parent company was approximately RMB 2.798 billion. Based on the Company's performance in 2023, a profit distribution proposal for 2023 has been proposed: profits will be distributed based on the total share capital registered on the record date for the implementation of the equity distribution, and a cash dividend of RMB 0.50 (tax included) per 10 shares would be distributed to all shareholders. As of December 31, 2023, the Company's total share capital consisted of 5,268,353,501 shares. When calculated on this basis, the total cash dividend to be distributed will be RMB 263,417,675.05 (tax included). The Company will not convert capital reserve into share capital, or grant bonus shares for 2023. The profit distribution proposal has yet to be submitted to the 2023 Annual General Meeting of Shareholders for consideration and approval.

VI. Risk declaration of forward-looking statements

Applicable Not Applicable

The forward-looking descriptions of future plans and development strategies covered in this report do not constitute substantial commitments by the Company to investors, and investors should be aware of the investment risks.

VII. Does the Company have non-operating funds occupied by the holding shareholder and its related parties?

No

VIII. Does the Company provide the external guarantees in breach of the stipulated decision-making procedure?

No

IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?

No

X. Major Risk Warning

The company has described the related potential risks in this annual report. Investors may pay attention to the same. Please refer to "Management Discussion and Analysis" and related chapters for the risks the company may be confronted with in the future development.

XI. Others

Applicable Not Applicable



Section I Definitions

I. Definitions

The terms used in this report shall be defined as follows, unless otherwise specified:

Company, the Company, ZPMC	Refers to	Shanghai Zhenhua Heavy Industries Co., Ltd.
CCCC	Refers to	China Communications Construction Company Ltd.
CCCG	Refers to	China Communications Construction Group Co., Ltd.
CCCG HK	Refers to	CCCG (HK) Holding Limited
Reporting period	Refers to	From Jan. 1, 2023 to Dec. 31, 2023

Section II Company Profile and Principal Financial Indexes

I. Company Information

Company name in Chinese	上海振华重工(集团)股份有限公司
Abbreviation of the Company name in Chinese	振华重工
Company name in English	SHANGHAI ZHENHUA HEAVY INDUSTRIES CO.,LTD.
Abbreviation of the Company name in English	ZPMC
Legal representative of the Company	You Ruikai

II. Contact Information

Secretary of the Board of Directors	
Name	Sun Li
Address	No. 3261, Dongfang Road, Shanghai
Telephone	021-50390727
Fax	021-31193316
E-mail	IR@ZPMC.COM

III. Basic Information

Registered address	No.3470, Pudong South Road, Shanghai
Changes of registered address	N/A
Office address	No. 3261, Dongfang Road, Shanghai
Postal code of office address	200125
Website	http://www.zpmc.com
E-mail	IR@ZPMC.COM

IV. Information disclosure and placement location

Newspaper and website for disclosure of the annual report	Shanghai Securities News, www.cnstock.com China Securities Journal, www.cs.com.cn Hong Kong Wen Wei Po, www.wenweipo.com
Stock exchange website for disclosure of the annual report	www.sse.com.cn
Placement location of the annual report	Office of the board of directors

V. Stock information

Stock Information				
Stock type	Stock exchange	Stock abbreviation	Stock code	Stock abbreviation before change
A-share	Shanghai Stock Exchange (SSE)	Zhenhua Heavy	600320	ZPMC Industries
B-share	Shanghai Stock Exchange (SSE)	Zhenhua B-share	900947	-

VI. Other relevant information

Public accounting firm engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	Room 01-12, Floor 17th, Ernst & Young Tower Oriental Plaza, No.1 East Changan Street, Dongcheng District, Beijing
	Signed by the Accountants	Gao Chong, Gu Chengli

**VII. Main accounting data and financial indexes in recent three years**

(I) Main accounting data

Unit: Yuan Currency: CNY

Main accounting data	2023	2022	Year-on-year change (%)	2021
Operating revenue	32,933,263,802	30,191,792,987	9.08	25,977,976,968
Net profit attributable to the shareholders of the listed company	519,978,765	371,937,232	39.80	439,839,245
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	274,145,961	414,835,324	-33.91	-440,186,675
Net cash flows from operating activities	5,184,184,446	2,568,564,023	101.83	2,119,639,518
	At the end of 2023	At the end of 2022	Year-on-year change (%)	At the end of 2021
Net assets attributable to the shareholders of the listed company	15,756,552,794	15,168,470,117	3.88	14,990,218,631
Total assets	84,864,576,091	78,213,168,723	8.50	78,332,081,199

(II) Major financial indexes

Major financial indexes	2023	2022	Year-on-year change (%)	2021
Basic earnings per share (RMB/share)	0.10	0.07	42.86	0.08
Diluted earnings per share (RMB/share)	0.10	0.07	42.86	0.08
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	0.05	0.07	-28.57	-0.09
Weighted average ROE (%)	3.37	2.39	+0.98	2.90
Weighted average ROE after deducting non-recurring profits and losses (%)	1.74	2.68	-0.94	-3.48

Explanations about the main accounting data and financial indexes in the past 3 years as at the end of the reporting period

Applicable Not Applicable

The change in net profit attributable to the shareholders of the listed company was mainly due to the increase in profit resulting from the increase in project delivery of the Company.

The change in net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses was mainly due to the increase in the Company's provision for inventory depreciation.

The change in the net cash flows from operating activities was mainly due to the increase in cash received from the Company's sale of goods and provision of services.

The change in the basic earnings per share was mainly due to the increase in the Company's profits.

The change in the diluted earnings per share was mainly due to the increase in the Company's profits.

VIII. Differences in accounting data under domestic and overseas accounting standards

(I) Difference in net profits and net assets attributable to the shareholders of the listed company in the financial statements synchronously disclosed under international and China's accounting standards

Applicable Not Applicable

(II) Difference in net profits and net assets attributable to the shareholders of the listed company in the financial statements synchronously disclosed under foreign and China's accounting standards

Applicable Not Applicable

(III) Explanation for differences between the domestic and foreign accounting standards:

Applicable Not Applicable

IX. Main financial data in 2023 by quarter

Unit: Yuan Currency: CNY

	Q1 (Jan. to Mar.)	Q2 (Apr. to Jun.)	Q3 (Jul. to Sep.)	Q4 (Oct. to Dec.)
Operating revenue	6,019,689,227	7,389,118,395	9,102,390,093	10,422,066,087
Net profit attributable to the shareholders of the listed company	129,537,269	150,348,735	39,740,347	200,352,414
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	28,768,092	41,855,152	120,014,924	83,507,793
Net cash flows from operating activities	-923,639,281	2,316,977,981	-219,191,569	4,010,037,315

Explanations about the differences between the quarterly data and the data in periodically disclosed reports

Applicable Not Applicable

X. Non-recurring profit and loss items and amount

Applicable Not Applicable

Unit: Yuan Currency: CNY

Non-recurring profit and loss items	Amount in 2023	Note (if applicable)	Amount in 2022	Amount in 2021
Profit or loss from disposal of non-current assets, including the write-off portion of the provision of asset impairment	79,038,662		66,091,456	240,161,569
Government subsidies included in current profits and losses except for government subsidies closely related to the normal operations of the Company, in line with national policies, and obtained according to determined standards, with a lasting impact on the Company's profits and losses	107,480,822		106,415,947	81,153,206
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and from disposal of financial assets and financial liabilities, except for effective hedging operations associated with the Company's normal operations	94,482,602		-214,877,284	643,903,925
Reversal of provision for impairment of receivables subject to separate impairment test				94,986,600
Other non-operating revenue and expenses except for the above-mentioned items	19,796,255		27,301,769	12,089,008
Other profit or loss items that conform to the definition of non-recurring profit or loss				
Less: Affected amount of income tax	45,161,118		11,561,380	179,212,457
Affected amount of minority equity (after tax)	9,804,419		16,268,600	13,055,931
Total	245,832,804		-42,898,092	880,025,920

Explanations should be provided to the items not listed in the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss", but identified as non-recurring profit or loss items with significant amount by the Company, and the non-recurring profit or loss items listed in the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss", but defined as recurring profit or loss items by the Company.

Applicable Not Applicable



XI. Items measured at fair value

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	December 31, 2023	Current change	Impact on current profits
Jiangxi Huawu Brake Co., Ltd.	199,652,466	168,181,696	-31,470,770	-8,980,321
Qingdao Port International Co., Ltd.	348,072,750	248,085,844	-99,986,906	79,238,655
China Railway Signal & Communication Corporation Limited	280,317,612	281,346,332	1,028,720	21,779,691
Shenwan Hongyuan Group Co., Ltd.	870,116	0	-870,116	162,966
COSCO Shipping Holdings Co., Ltd.	40,132,120	14,542,525	-25,589,595	2,959,460
Equity instrument investment	8,438,278	8,438,278	0	0
Hunan Fengri Power & Electric Co., Ltd.	30,657,862	29,951,235	-706,627	335,790
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	22,151,670	24,986,999	2,835,329	0
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	8,938,170	10,440,495	1,502,325	0
Shenyang Weichen Crane Equipment Co., Ltd.	5,205,300	6,617,653	1,412,353	0
Ningbo Weilong Port Machinery Co., Ltd.	5,825,195	15,333,177	9,507,982	0
Shanghai Longchang Lifting Equipment Co., Ltd.	697,422	739,815	42,393	0
Jiangsu Zhangjinggao Bridge Co., Ltd.	0	16,790,000	16,790,000	0
Total	950,958,961	825,454,049	-125,504,912	95,496,241

XII. Others

Applicable Not Applicable

Section III Management Discussion and Analysis

I. Discussion and analysis of the performance

In 2023, the Company thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China and General Secretary Xi Jinping's important instructions on state-owned central enterprises, conscientiously implemented the decisions, arrangements and work requirements of the Party Central Committee, the State Council and the State-owned Assets Supervision and Administration Commission, earnestly fulfilled the requirements under the Company Law, the Articles of Association of the Company, relevant laws, regulations and normative documents, and fully adopted the "1544" overall development strategy. Focusing on the high-quality development as main task, the Company upheld the underlying principle of pursuing progress while ensuring stability, steadily increased main business indicators, and made solid progress in promoting the high-quality development.

During the reporting period, the Company achieved operating revenue of approximately RMB 32.933 billion, representing a year-on-year increase of 9.08%; the net profit attributable to the parent company was approximately RMB 0.52 billion, representing a year-on-year increase of 39.80%. The new contract value of port machinery business was USD 3.608 billion, an increase of 6.59% over the same period last year. New contract value of marine engineering and steel structure-related businesses amounted to USD 1.984 billion, of which the new orders for steel structure business amounted to USD 0.47 billion.

The Company's market development has continued to advance. Rapid and steady progress was made in the port machinery business; steady development was seen in the offshore engineering business, a breakthrough was made in the development of steel structure business, and fruitful results were reported in the development of its diversified businesses. Relying on the fundamental support from internal resources and expansion through external resources, the Company effectively increased its production capacity, intensified its efforts to implement the production plan and guarantee the material supply, and improved its performance of project contracts. With sound and steady progress in the operational quality and efficiency, the Company reported impressive results in reducing costs and increasing efficiency by open bidding, revitalizing existing assets, strengthening supplier sourcing and development and process control, and optimizing financial and capital management. The innovative intelligent manufacturing was steadily advanced, and 297 new patents were granted throughout the year. The Company led and participated in the formulation of 5 international standards, deployed the research and development of 38 core technologies, devices and software, and increased innovation incentives, accelerated the automated and intelligent transformation of production lines, contributing to continuous improvement of its core competitiveness. Furthermore, the Company continued to beef up its risk management, optimized the risk management system, and launched the "Year of Strengthening Compliance Management" campaign to further cement the foundation for its stable development.

II. Industrial situation of the Company during the reporting period

The year 2023 witnessed complex global political and economic landscape and uncertain international environment due to impact from geopolitics and other factors. As an export-oriented enterprise, the Company was still confronted with the challenges in terms of supply chain security and stability and local development. China has entered a new stage of comprehensively building a modern socialist country and marching towards the second centenary goal. The basic trend of the national economy to recover and improve in the long run remains unchanged. The Party Central Committee relies on the new development philosophy, new development pattern and new development goals to guide overall arrangements, and strives to build a great country and advance national rejuvenation on all fronts through Chinese modernization. A new round of scientific and technological revolution and industrial transformation creates favorable conditions for the Company to better integrate into global development and make full use of international and domestic markets and resources.



From the conditions of the industry where the Company operates, the manufacturing industry was accelerating its transformation towards high-end, intelligent and green development. In terms of port machinery business, the automated and intelligent upgrade of global ports brought new opportunities for port upgrading. However, the accelerated group integration of Chinese ports and the contest with other Chinese port machinery manufacturers led to increasingly fierce competition and imposed higher requirements for cost and innovation. Mobile machinery products enjoy a huge market space, featuring a high degree of standardization. In terms of offshore engineering business, the traditional oil and gas offshore engineering market is gradually recovering, and international oil prices will remain high in the medium and long term, benefiting the offshore equipment market. In terms of steel structure business, as the nationwide efforts to build green transportation infrastructure are intensified and Chinese urbanization is accelerating, the market demand for steel-structured bridges has increased, but the Chinese market shows a trend of low-price competition. In terms of new industries, a series of sectors where the Company operates have good market prospects, such as prefabricated buildings, photovoltaic power generation, elevator installation, and mechanical and electrical engineering.

III. Business of the Company during the reporting period

The Company is a well-known heavy equipment manufacturer and a state-owned company listed on A and B shares, and its holding company is China Communications Construction Group Co., Ltd., which is listed in Fortune Global 500. Headquartered in Shanghai, with several production bases in Shanghai and Jiangsu and several overseas branches worldwide, the Company has more than twenty 60,000t to 100,000t complete transport vessels which can transport complete large products to the world. At present, the products of the Company have been successfully sold to 107 countries and regions in the world.

The Company upheld the goal of building a world first-class equipment manufacturer with global competitiveness in technology, management and quality, focused on steady growth, project performance, cost reduction and efficiency increase, reform and innovation, risk prevention and control and other key work, continued to consolidate the traditional core business such as port machinery, offshore engineering, shipping, etc., continued to accelerate the development of “large and heavy” steel structure, offshore wind power, smart parking and other growth-oriented business, multiplies development and innovation and post-market service business, moderately developed investment and financial business, and strived to explore new business.

During the reporting period, rapid and steady progress was made in the port machinery business. The market share of quay cranes was 70%, maintaining No.1 in the world for 26 consecutive years. The Company signed the NEOM Terminal Port Machinery Project in Saudi Arabia with the largest single contract value across the year. The pure electric straddle carriers entered the Maersk market for the first time, and the hybrid straddle carriers successfully broke into the DP World’s European market.

Steady development was seen in the offshore engineering business. The Company developed the market for design and manufacturing of offshore equipment, core accessories and upgrading services, successfully signed the first contract for rotary pile-driving barge project in China and several high-specification floating cranes, successfully entered the gantry crane market in the nuclear power field, and undertook the construction of the first 1,600-ton gantry crane project for nuclear power systems in China.

A breakthrough was made in the development of steel structure business. Following the Hong Kong-Zhuhai-Macao Bridge, Xiamen Xiang’an Bridge, China’s second and Fujian Province’s first fully prefabricated cross-sea bridge, which was constructed by the Company, was fully opened to traffic and won the “Gold Award of China Steel Structure”; the steel structure of the main bridge of the West Gate Tunnel in Australia was completed and shipped; and the Cocody Bridge in Côte d’Ivoire, West Africa, an achievement of the joint construction of the “Belt and Road” initiative, was opened to traffic. The Company gained a growing influence in the steel bridge industry, with its market position further consolidated.

Fruitful results were reported in the development of diversified businesses. The Company successfully lifted the upper block of Yuedian Qingzhou Offshore Booster Station, the world’s largest AC booster station with the highest voltage level, consolidating its leading position in China’s offshore wind farm and shipyard lifting market. Focusing on its primary responsibilities and primary business, it actively studied and made an arrangement for the port automated storage and retrieval system (AS/RS) market, and delivered the first AS/RS for commercial vehicles in China. the Company successfully

developed an industry-leading container truck parking garage, and steadily expanded its urban parking business. The CCCC's parking equipment for Liangjiang New Area Chongqing Liangjiang passed the acceptance.

IV. Analysis of the core competitiveness during the reporting period

√ Applicable □ Not Applicable

1. Leading market position

The Company had independently developed new products and technologies such as the world's first double 40-foot container shore bridge, full-auto double-trolley shore bridge and two-way anti-swing system, which had promoted the technical upgrade of the automated container terminals in the world and become the global trendsetter of port machinery development. The Company had successfully built China's first automated terminal --- Xiamen Ocean Gate Automated Terminal of COSCO, Asia's first full-auto terminal ---Qingdao Port Full-auto Terminal, and the world's largest single-berth full-auto terminal - Yangshan Full-auto Terminal (Phase IV) of Shanghai Port. The automated terminal equipment and systems provided by the Company had been popularized in nearly 60 automated terminal projects at home and abroad, accounting for more than 70% of automated terminals worldwide. The Company manufactured the world's largest full-revolving crane vessel, namely "Zhenhua 30" Vessel, helping the construction of Hong Kong-Zhuhai-Macao Bridge. The Company also fabricated all of the steel structure for San Francisco-Oakland Bay Bridge, which was regarded as a highly difficult project by the bridge industry in the world.

2. Leading R&D and innovation capability

As one of the first innovative enterprises in China and one of the first national technology innovation demonstration enterprises, the Company has a national enterprise technology center, a national engineering research center of core equipment for offshore lifting and pipe-laying, a national postdoctoral research center, a provincial and ministerial academician and expert workstation, a provincial and ministerial key laboratory and a provincial and ministerial engineering research and development center. As of the end of 2023, the Company had applied for a total of 3,925 patents, with 2,169 valid patents and 61 international authorizations. The Company insisted on the combination of independent R&D and industry-university-research, established long-term cooperative R&D relationships with professional research institutions and customers, formed a R&D and innovation platform system to support the high-quality development of the enterprise, and built the strategic force for scientific and technological innovation. By combining value creation and data-driven approach, it promoted digital construction and intelligent transformation and upgrading, established four major digital development areas: operation management, design and R&D, production and manufacturing, operation and maintenance services, and created an integrated collaborative platform for design, process and manufacturing with automated equipment and digital operation management as the core, to promote the "upgrading" of industrial development.

Holding onto the development direction of "high-end, intelligent and green" equipment manufacturing, the Company continuously introduced new technologies, new products and new services leading the industry development. With a mastery of the core technologies of large-scale, efficient, green and low-carbon port machinery, the Company launched new models such as full-truss beam quay cranes and all-electric tire cranes, and built a diversified product matrix. With a mastery of the core technology of the terminal production control system, the Company also pioneered the Terminal Operating System (TOS) integrated with the Equipment Control System (ECS), comprehensively enhancing its system integration capabilities. A new green stand-alone product was released, and the Model S ASC high-speed automated rail-mounted gantry crane was designed to be ultra light-weight. The Company achieved internationally leading results in intelligent sensing trackless navigation technology, and globally pioneered the development of unmanned straddle carrier, automatic guided vehicle and other products and technologies integrating positioning function, thereby making ports more intelligent. "Tiankun" manufactured by the Company made a breakthrough in the core technology of the large-sized self-propelled cutter suction dredger, making China's design and construction technology of the dredger rank the forefront in the world. The "Independent Research and Development and Industrialization of Large Offshore Cutter Suction Dredging Equipment" won the Grand Prize of the National Award for Science and Technology Progress, the "Research and Application of Key Technologies for the New Generation Port Container Crane" won the First Prize of the National Award for Science and Technology Progress, the "Key Technologies and Applications of Full-Swing Floating Crane



for Offshore Heavy Lifting Equipment” won the Second Prize of the National Award for Science and Technology Progress.

3. Global marketing network and digital supply chain platform

The Company gives full play to its advantages in relevant regions at home and abroad, attracting many customers at home and abroad with quality products and services. The Company has constantly strengthened the global network layout of overseas branches and has established several overseas branches in the world, established good partnership and solid cooperation foundation with local internationally renowned enterprises and upstream and downstream enterprises of the industry, and continuously exerted its localization advantages. Based on its global operation and service network, the Company has provided integrated and lean operation and lifecycle service for global customers in a fast, accurate and comprehensive way. The Company has a service team composed of more than 1,000 high-quality professionals on the site all over the world, which can provide efficient solutions and perfect spare parts service support and supply goods to the world in the shortest time. Terminex, a wholly-owned subsidiary of the Company, has built the first digital supply chain platform in port machinery industry.

V. Performance during the reporting period

During the reporting period, the Company’s operating revenue was steadily rising and its profitability of primary business improved significantly. The Company realized operating revenue of approximately RMB 32.933 billion, representing a year-on-year increase of 9.08%; the net profit attributable to the parent company was approximately RMB 0.52 billion, representing a year-on-year increase of 39.80%; the basic earnings per share was RMB 0.10, representing a year-on-year increase of 42.86%.

(I) Analysis of the performance

1. Analysis table of changes in the related items in profit statement and cash flow statement

Unit: Yuan Currency: CNY

Item	Amount in the current period	Amount in the same period of the last year	Change (%)
Operating revenue	32,933,263,802	30,191,792,987	9.08
Operating cost	28,480,385,794	26,145,431,986	8.93
Selling and distribution expenses	211,361,193	176,805,664	19.54
General and administrative expenses	849,183,436	835,690,168	1.61
Financial expenses	546,050,450	775,079,877	-29.55
Research and development expenditures	1,311,556,665	1,118,337,091	17.28
Net cash flows from operating activities	5,184,184,446	2,568,564,023	101.83
Net cash flows from investing activities	-181,631,626	-83,719,029	N/A
Net cash flows from financing activities	-2,391,719,903	-4,723,159,537	N/A
Taxes and surcharges	291,299,625	174,759,457	66.69
Investment income	67,909,400	204,359,358	-66.77
Income from fair value change	-27,339,814	-276,050,580	N/A
Assets impairment losses	-428,844,200	-92,510,638	N/A

The change in operating revenue was mainly due to the increase in project delivery of the Company.

The change in operating cost was mainly due to the increase in operating cost as a result of the increase in operating revenue.

The change in selling and distribution expenses was mainly due to the Company’s increased efforts in market expansion and marketing.

The change in general and administrative expenses was mainly due to the increase in corporate consulting fees.

The change in financial expenses was mainly due to lower interest expenses resulting from the decrease in the interest-bearing liabilities of the Company and the increase in exchange gains from fluctuations in the exchange rate of RMB against USD.

The change in research and development expenditures was mainly due to the increase in the expensed expenditures for research and development projects of the Company.

The change in the net cash flows from operating activities was mainly due to the increase in cash received from the Company's sale of goods and provision of services.

The change in net cash flows from investing activities was mainly due to the increase in cash paid by the Company for the purchase and construction of fixed assets.

The change in net cash flows from financing activities was mainly due to the repayment of loans by the Company.

The change in taxes and surcharges was mainly due to the increase in the amount of provision for urban construction tax and additional tax resulting from the increase in the VAT amount benefiting from the sound business development of the Company.

The change in investment income was mainly due to the decrease in the income from investment into associated enterprises and joint ventures and the decrease in dividends from the stocks held this year.

The change in the gains from fair value change was mainly due to a lower decline in the fair value of the stocks held by the Company.

The change in assets impairment loss was mainly due to the increase in the Company's provision for inventory depreciation.

Detailed description of major changes in business type, profit composition or profit sources of the Company in the current period

Applicable Not Applicable

2. Analysis of revenue and cost

Applicable Not Applicable

The Company realized operating revenue of approximately RMB 32.933 billion, representing a year-on-year increase of 9.08%; the operating cost was RMB 28.48 billion, representing a year-on-year increase of 8.93%.

(1). Main business by sector, product, region and sales model

Unit: Yuan Currency: CNY

Main business by product						
Product	Operating revenue	Operating cost	Gross profit rate (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Port machinery	21,236,864,182	17,769,268,798	16.33	2.44	2.07	+0.3
Heavy-duty equipment	5,422,715,054	5,139,018,033	5.23	75.75	80.21	-2.35
Engineering construction projects	1,528,578,218	1,551,493,106	-1.50	-5.29	-4.12	-1.24
Steel structure and related income	3,166,048,520	2,883,527,923	8.92	15.92	9.46	+5.38
Marine transport and others	1,388,086,251	1,064,259,854	23.33	-25.50	-29.12	+3.92
Main business by region						
Region	Operating revenue	Operating cost	Gross profit rate (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Chinese Mainland	18,330,998,550	16,450,665,191	10.26	15.64	20.55	-3.65
Chinese Mainland (export sales)	964,530,587	746,929,906	22.56	-0.37	-18.46	+17.18
Europe	1,096,740,543	1,231,226,688	-12.26	25.05	42.05	-13.43
Asia (excluding Chinese Mainland)	6,029,644,681	4,952,941,475	17.86	-23.36	-26.71	+3.77
North America	2,386,479,118	2,039,827,384	14.53	9.40	5.40	+3.25
South America	1,183,625,912	901,491,572	23.84	97.22	108.39	-4.08
Africa	2,032,771,314	1,515,235,643	25.46	48.53	27.92	+12.01
Oceania	717,501,520	569,249,855	20.66	129.95	106.71	+8.92



Explanations for the main business by sector, product, region and sales model

1. The amount listed in “Chinese Mainland (export sales)” in “Main business by region” was the main operation income from the export sales of this Company to the overseas subsidiaries of the Company and then sales to the related projects of the domestic customers.

(2). Analysis table of cost-volume-profit relationship

Applicable Not Applicable

(3). Fulfillment of major purchasing contracts and sales contracts

Applicable Not Applicable

Fulfillment of major sales contracts signed by the reporting period

Applicable Not Applicable

Unit: 100 million Yuan Currency: CNY

Subject-matter of contract	The opposite party	Total contracted value	Total amount performed	Amount performed during the reporting period	Amount to be performed	Normally performed or not	Explanation for abnormal performance of the contract
Contract for ECT Terminal of East Port, Sri Lanka	Chairman of Sri Lanka Ports Authority	2.8256	0.90268	0	1.92292	Yes	
General Contract for Intelligent Handling System of No. 9-10 Berth in Dalanping South Port Operation Section, Dalanping Port Area, Qinzhou Port	Honggang Wharf Co., Ltd. in Guangxi Qinzhou Tariff Free Port Area Legal representative: Wen Furong	14.3734	11.60311	6.05375	2.77029	Yes	
Procurement of double-trolley quayside container cranes for Phase I project of the Container Terminal Project in East Operation Section of Yantian Port Area, Shenzhen Port (secondary)	Hu Chaoyang	12.93	3.879	0	9.051	Yes	

Note: Unit of contracted value of Sri Lanka Project: USD 100 million

Fulfillment of major purchasing contracts signed by the reporting period

Applicable Not Applicable

(4). Cost analysis table

Unit: Yuan

By product							
Product	Items of cost structure	Amount in the current period	Proportion in total cost in the current period (%)	Amount in the same period of the last year	Proportion of the one in the same period of the last year in total costs (%)	Year-on-year change (%)	Explanatory notes
Port machinery	Raw material cost, labor cost and production cost	17,769,268,798	62.55	17,409,218,335	66.92	2.07	Normal operating fluctuations
Heavy-duty equipment	Raw material cost, labor cost and production cost	5,139,018,033	18.09	2,851,639,122	10.96	80.21	Normal operating fluctuations
Engineering construction projects	Raw material cost, labor cost and production cost	1,551,493,106	5.46	1,618,116,053	6.22	-4.12	Normal operating fluctuations
Steel structure and related income	Raw material cost, labor cost and production cost	2,883,527,923	10.15	2,634,320,687	10.13	9.46	Normal operating fluctuations
Marine transport and others	Raw material cost, labor cost and production cost	1,064,259,854	3.75	1,501,571,151	5.77	-29.12	Normal operating fluctuations

Other information about cost analysis: None

(5). Changes in consolidation scope attributable to changes in equity of main subsidiaries during the reporting period

Applicable Not Applicable

(6). Significant change or adjustment of business, products or service during the reporting period

Applicable Not Applicable

(7). Particulars about main customers and suppliers

A. Main customers of the Company

Applicable Not Applicable

The sales to the top 5 customers were RMB 5,283,790,600, accounting for 16.04% of the total annual sales; the sales to the related parties among the top 5 customers were RMB 1,927,777,100, accounting for 5.85% of the total annual sales.

Indicate whether sales to a single customer accounted for over 50% of the total sales, there was any new customer in the top five customers, or the Company heavily relied on a few number of customers during the reporting period.

Applicable Not Applicable

B. Main suppliers of the Company

Applicable Not Applicable

The purchases from the top 5 suppliers were RMB 4,324,267,200, accounting for 15.37% of total annual purchases; the purchases from the related parties among the top 5 suppliers were RMB 1,741,147,900, accounting for 6.19% of total annual purchases.

Indicate whether sales to a single supplier accounted for over 50% of the total sales, there was any new supplier in the top five suppliers, or the Company heavily relied on a few number of suppliers during the reporting period.

Applicable Not Applicable

Other description

None

3. Expenses

Applicable Not Applicable

The change in selling and distribution expenses was mainly due to the Company's increased efforts in market expansion and marketing.

The change in general and administrative expenses was mainly due to the increase in corporate consulting fees.

The change in financial expenses was mainly due to lower interest expenses resulting from the decrease in the interest-bearing liabilities of the Company and the increase in exchange gains from fluctuations in the exchange rate of RMB against USD.

The change in research and development expenditures was mainly due to the increase in the expensed expenditures for research and development projects of the Company.

4. R&D investments

(1). Detail table of R&D investments

Applicable Not Applicable

	Unit: Yuan
Current expensed R&D investments	1,311,556,665
Current capitalized R&D investments	0
Total R&D investments	1,311,556,665



Proportion of total R&D investments in operating revenue (%)	3.98
Proportion of capitalized R&D investments (%)	0.00

(2). Detail table of R&D employees

Applicable Not Applicable

Number of R&D employees in the Company	1,649
Proportion of number of R&D employees in the total employees of the Company (%)	19.86

Educational structure of R&D employees

Educational structure category	Number
Doctor	10
Master	272
Undergraduate	1,207
Junior College	138
Senior high school and below	22

Age structure of R&D employees

Age structure category	Number
Under 30 (exclusive)	236
30-40 (inclusive of 30 and exclusive of 40)	588
40-50 (inclusive of 40 and exclusive of 50)	693
50-60 (inclusive of 50 and exclusive of 60)	132
60 and above	0

(3). Explanation

Applicable Not Applicable

(4). Reasons for any significant change in the composition of R&D personnel and the impact on the future development of the Company

Applicable Not Applicable

5. Cash flows

Applicable Not Applicable

The change in the net cash flows from operating activities was mainly due to the increase in cash received from the Company's sale of goods and provision of services.

The change in net cash flows from investing activities was mainly due to the increase in cash paid by the Company for the purchase and construction of fixed assets.

The change in net cash flows from financing activities was mainly due to the repayment of loans by the Company.

(II) Explanation for the significant changes in profits due to non-main business

Applicable Not Applicable

(III) Analysis of assets and liabilities

Applicable Not Applicable

1. Assets and liabilities

Unit: Yuan

Item	Amount at the end of the current period	Proportion of the amount at the end of the current period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in total assets (%)	Year-on-year change (%)	Notes
Monetary funds	5,105,078,436	6.02	2,397,047,713	3.06	112.97	
Notes receivable	14,122,031	0.02	56,114,657	0.07	-74.83	
Receivables financing	965,569,122	1.14	439,912,428	0.56	119.49	
Advances to suppliers	1,313,834,063	1.55	951,212,422	1.22	38.12	
Non-current assets due within one year	1,341,408,631	1.58	900,213,411	1.15	49.01	
Other current assets	476,726,381	0.56	279,067,341	0.36	70.83	
Long-term receivables	1,457,182,459	1.72	2,402,265,565	3.07	-39.34	
Other equity instrument investment	104,859,374	0.12	73,475,619	0.09	42.71	
Short-term borrowings	4,781,640,779	5.63	1,793,682,952	2.29	166.58	
Contract liabilities	19,230,649,196	22.66	13,348,150,197	17.07	44.07	
Tax payable	324,641,134	0.38	238,103,875	0.30	36.34	
Deferred income tax liabilities	133,272,270	0.16	99,240,972	0.13	34.29	
Other non-current liabilities	247,185,330	0.29	181,805,207	0.23	35.96	

Other description

Monetary funds increased mainly due to the increase in the Company's advances received on contracts.

Notes receivable decreased mainly due to the decrease in commercial acceptance bills received by the Company.

Receivables financing increased mainly due to the increase in bank acceptance bills received by the Company.

Advances to suppliers increased mainly due to the increase in the Company's advance payment for purchases.

Non-current assets due within one year increased mainly due to the increase in the Company's long-term receivables due within one year.

Other current assets increased mainly due to the increase in the Company's input tax to be deducted.

Long-term receivables decreased mainly due to the decrease in receivables from the Company's Build-Transfer (BT) projects.

Investment in other equity instruments increased mainly due to the Company's additional new investment projects.

Short-term borrowings increased mainly due to the increase in the short-term borrowings of the Company from banks.

Contract liabilities increased mainly due to the increase in the Company's advances received on contracts.

Tax payable increased mainly due to the increase in value-added tax and surcharges payable resulting from the sound business development of the Company.

Deferred income tax liabilities increased mainly due to the increase in the Company's taxable temporary difference.

Other non-current liabilities increased mainly due to the increase in the Company's output tax to be written off.

2. Overseas assets

Applicable Not Applicable

(1). Asset size

Including: overseas assets of 13,477,176,758 (Unit: Yuan, Currency: CNY), accounting for 16% of the total assets.

(2). Related explanation for relatively high proportion of overseas assets

Applicable Not Applicable



3. Particulars about main restricted assets as at the end of the reporting period

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period	Reason for restriction
Monetary funds	72,908,531	Special funds for overseas escrow account, deposits for letter of credit and letter of guarantee etc.
Fixed assets	2,447,188,251	Collateral for loan
Long-term receivables	1,435,459,418	Hypothecation for loan
Other non-current assets	3,616,427,706	Hypothecation for loan
Contract assets	146,326,607	Hypothecation for loan
Accounts receivable	254,958,240	Hypothecation for loan
Intangible assets	1,024,431,906	Hypothecation for loan

4. Other description

Applicable Not Applicable

(IV) Analysis of operational information of the industry

Applicable Not Applicable

In terms of port machinery business, the automated and intelligent upgrade of global ports brought new opportunities for port upgrading. However, the accelerated group integration of Chinese ports and the contest with other Chinese port machinery manufacturers led to increasingly fierce competition and imposed higher requirements for cost and innovation. Mobile machinery products enjoy a huge market space, featuring a high degree of standardization.

In terms of offshore engineering business, the traditional oil and gas offshore engineering market is gradually recovering, and international oil prices will remain high in the medium and long term, benefiting the offshore equipment market.

In terms of steel structure business, as the nationwide efforts to build green transportation infrastructure are intensified and Chinese urbanization is accelerating, the market demand for steel-structured bridges has increased, but the Chinese market shows a trend of low-price competition.

In terms of new industries, a series of sectors where the Company operates have good market prospects, such as prefabricated buildings, photovoltaic power generation, elevator installation, and mechanical and electrical engineering.

(V) Analysis of investment

Overall analysis of external equity investment

Applicable Not Applicable

Unit: Yuan Currency: CNY

Investment amount by the end of reporting period	2,773,273,393
Changes in investment amount	-172,127,215
Investment amount in the same period of the last year	2,945,400,608
Change in investment amount (%)	-6

1. Significant equity investment

√ Applicable □ Not Applicable

Unit: '0,000 Yuan Currency: CNY

Name of invested entity	Main business	Whether the subject is mainly engaged in investment business	Investment manner	Investment amount	Shareholding ratio	Whether to consolidate	Statement item (if applicable)	Fund source	Partner (if applicable)	Investment term (if any)	Progress as at the balance sheet date	Expected earnings (if any)	Impact on current profit or loss	Lawsuit involved or not	Disclosure date (if any)	Disclosure index (if any)
Zhenhua Haitong Intelligent Equipment Co., Ltd.	R&D, design, procurement, manufacturing, sales, maintenance, transformation and upgrading of, and after-sales service for reach stackers, stacker forklifts and their derivative products.	Yes	Newly established	4,000	80%	Yes		Self-owned funds	Shanghai Yichui Machinery Technology Co., Ltd.		Completed the company registration procedures.		0	No	December 7, 2023	See Extraordinary Announcement No. 2023-051 for details
Total	/	/	/	4,000	/	/	/	/	/	/	/	/	/	/	/	/

2. Significant non-equity investment

√ Applicable □ Not Applicable

Xiong'an Zhenhua Co., Ltd. ("Xiong'an Zhenhua") is a wholly-owned subsidiary of the Company. To further optimize its resource allocation and better serve the development of primary business, the Company planned to reduce Xiong'an Zhenhua's registered capital by RMB 1.9 billion. After the capital reduction, Xiong'an Zhenhua's registered capital would be reduced from RMB 2 billion to RMB 0.1 billion. The capital reduction would not lead to the change in the ownership structure of Xiong'an Zhenhua, and the Company would still hold 100% of its stock equity. The above-mentioned matters were reviewed and approved at the 21st meeting of the 8th Board of Directors of the Company. See the relevant announcement (Extraordinary Announcement No. 2023-025) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on June 8, 2023 for details. Xiong'an Zhenhua completed the registration of change of registered capital. After the capital reduction, its registered capital is RMB 0.1 billion, and the Company holds 100% of its stock equity.

3. Financial assets measured at fair value

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Asset class	Beginning balance	Profit or loss on changes in fair values for the period	Accumulated fair value changes recognized in equity	Impairment provision for the period	Amount purchased in the period	Amount sold/redeemed in the period	Other changes	Ending balance
Stock	869,045,064	-27,339,814				-129,548,853		712,156,397
Total	869,045,064	-27,339,814				-129,548,853		712,156,397

Securities investment

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Securities Variety	Stock code	Stock abbreviation	Initial investment cost	Fund source	Book value at the beginning of the period	Profit or loss on changes in fair values for the period	Accumulated fair value changes recognized in equity	Amount purchased in the period	Amount sold in the period	Profit or loss on investments in the period	Book value at the end of the period	Accounting subject
Stock	06198	Qingdao Port	308,515,588	Self-owned funds	348,072,750	21,560,783			-121,547,689	61,235,401	248,085,844	Held-for-trading financial assets



Securities Variety	Stock code	Stock abbreviation	Initial investment cost	Fund source	Book value at the beginning of the period	Profit or loss on changes in fair values for the period	Accumulated fair value changes recognized in equity	Amount purchased in the period	Amount sold in the period	Profit or loss on investments in the period	Book value at the end of the period	Accounting subject
Stock	03969	CRSC	617,854,000	Self-owned funds	280,317,612	1,028,720			-	20,920,710	281,346,332	Held-for-trading financial assets
Stock	300095	Huawu Stock	11,071,606	Self-owned funds	199,652,466	-30,577,696			-893,074	17,010,720	168,181,696	Held-for-trading financial assets
Stock	601919	COSCO SHIPPING HOLDINGS	420,000,000	Self-owned funds	40,132,120	-18,681,505			-6,908,090	21,654,242	14,542,525	Held-for-trading financial assets
Stock	000166	Shenwan Hongyuan	200,000	Self-owned funds	870,116	-670,116			-200,000	665,553	-	Held-for-trading financial assets
Total	/	/	1,357,641,194	/	869,045,064	-27,339,814			-129,548,853	121,486,626	712,156,397	/

Statement of securities investment

Applicable Not Applicable

Private equity investment

Applicable Not Applicable

Derivatives investment

Applicable Not Applicable

4. Progress on the major assets restructuring during the reporting period

Applicable Not Applicable

(VI) Sales of significant assets and equities

Applicable Not Applicable

1. To maximize the value of shareholders and rationally allocate the asset structure, the Company and its subsidiaries Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd. and Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd. planned to dispose of part or all of the held-for-trading financial assets at the right time according to market conditions, and authorize the Company's management to dispose of them at its discretion according to stock market conditions. The above-mentioned matters regarding sale of stocks were reviewed and approved at the 22nd meeting of the 8th Board of Directors of the Company. See the relevant announcement (Extraordinary Announcement No. 2023-030) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on June 29, 2023 for details. See "(V) Analysis of investment" in "Management Discussion and Analysis" of this annual report for details of the Company's holdings.

2. To effectively revitalize assets, optimize asset allocation and promote the healthy and sustainable development of the company, Jiahua Shipping Co., Ltd., controlled by the Company's wholly-owned subsidiary, planned to sell its semi-submersible vessels "RED ZED I" and "RED ZED II" to Olhai Marine Services Co., Ltd ("Olhai") at a price of USD 103 million per vessel. The above-mentioned matters regarding sale of stocks were reviewed and approved at the 28th meeting of the 8th Board of Directors and the 2023 Third Extraordinary General Meeting of Shareholders of the Company. See the relevant announcement (Extraordinary Announcement No. 2023-047) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on November 14, 2023 for details. Relevant matters are proceeding orderly.

(VII) Analysis of the primary holding companies and the joint-stock companies

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Company Name	Main product or services	Registered capital	Asset size	Net profit/ (loss)
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Installation of heavy port equipment, engineering vessels, heavy metal structure and its parts; manufacturing and installation of gear box, container yard crane, super heavy-duty bridge steel structure, heavy marine machinery equipment; leasing of cranes; specialized contracting of steel structures	2,500,000,000	11,151,663,589	88,169,483
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Sales of port loading and unloading machine, bulk cargo and container machine, port engineering vessels (including floating engineering crane), material handling mechanical products and parts, sales and technical services, installation and maintenance, technical consultation of all types of machine and equipment, key parts of the raw materials and accessories equipment	2,184,730,000	2,327,805,549	45,353,983
Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd.	Construction and installation of large-scale port equipment, engineering vessels, offshore heavy equipment, mechanical equipment, gear box for wind power generation equipment; large-sized reverse branch, transmission mechanism, dynamic positioning, large-sized anchor windlass, offshore oil platform lifting device and components; design and manufacturing of the accessories	738,878,329	2,683,890,044	135,889,441
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Design, manufacturing and sales of port machinery, engineering vessel, steel structure and other parts	HKD 50,000,000	14,168,563,066	27,708,656
Greenland Heavylift (Hongkong) Limited	Marine transport	USD 91,975,158	2,648,850,512	48,199,340
ZPMC Qidong Marine Engineering Co., Ltd.	Machinery manufacturing	303,000,000	1,573,572,492	-126,200,596
CCCC Financial Leasing Co., Ltd.	Finance lease	9,000,000,000	58,613,990,978	1,209,298,301
China Communications construction USA, Inc	Construction of port, waterway, highway and bridge	USD 50,000,000	255,246,414	1,088,291
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	Fabrication and installation of steel structure; foundation construction, equipment installation and maintenance of offshore wind power facilities; construction and maintenance of submarine cable system; marine engineering construction, equipment installation and maintenance; leasing of installation equipment	260,000,000	4,398,271,080	2,932,423

(VIII) Particulars about structured entities controlled by the Company

□ Applicable √ Not Applicable

VI. Discussion and analysis of the future development of the Company

(I) Industrial structure and trend

√ Applicable □ Not Applicable

1. Analysis of macroeconomic situation

From a macro perspective, the “timing” and “trend” are generally favorable. First, China’s economic upturn unlocks new opportunities. As emphasized at the Central Economic Work Conference, we must push ahead with transforming the growth model, making structural adjustments, improving quality, and enhancing performance, thus opening up new space for the Company’s high-quality development. Secondly, China accelerates the construction of a new development pattern, which has brought new opportunities, further expands the domestic regional market, and speeds up its efforts to go global at a high standard, in conjunction with the accelerated construction of “five centers” - international economic center, financial center, trade center, shipping center and sci-tech innovation center, offering new chances for the Company to optimize its structural layout and allocation of resource factors. Thirdly, the improvement and upgrading of economic structure and industrial transformation present new opportunities. New urbanization, regional integration, new

industrialization and agricultural modernization accelerates, the development of a modern industrial system is expedited, and new productive forces are developed at a faster pace, adding new impetus to the Company's transformation, upgrading and innovative development.

2. Analysis of industry situation

From the industry situation, "crisis" and "opportunity" coexist. As homogeneous competition in the traditional equipment manufacturing market is heating up, and profit margins are being narrowed, it becomes the core of market competition to enhance the capabilities for high-end equipment upgrading, system integration, independent control, basic supporting facilities, hardware and software integration, value-added services, green development, intelligent manufacturing and lean production. China is unswervingly following a new path to industrialization in developing the equipment manufacturing industry, driven by advanced industrial bases and modern industrial chains, setting the promotion of intelligent manufacturing as its main direction, with a focus on the accelerated deep integration of new-generation information technology into manufacturing industry. All these measures will reinforce the capabilities of industrial bases and improve the comprehensive integration, thus accelerating China's historical transformation from a manufacturing giant with a focus on quantity to one with a qualitative edge.

(II) Development strategy of the Company

√ Applicable □ Not Applicable

1. Overall development strategy

With "1544" overall development strategy as a strategic guide, gradually build the Company into a globally competitive technology-oriented, management-oriented and quality-oriented world-class equipment manufacturing enterprise. Firmly anchor the goal of building a technology-oriented, management-oriented and quality-oriented world-class enterprise, seize the global and national development opportunities, consolidate and bring into full play the enterprise's own advantages, and fully achieve the goal. Work hard on "five types of business", solidly promote "four main lines", and focus on improving the "four-thinking" ability.

2. Measures for industrial development

(1) Firm making the primary business stronger, better and bigger. The port machinery business will focus on high-end, intelligent and green development, expand the product lines of port machinery, accelerate the application of modern technologies such as 5G and artificial intelligence, increase the efforts in tackling problems in key technologies, consolidate the long-term partnership with global important customers, and transform and upgrade from product services and technical services to full lifecycle services, and continue to consolidate the leading position and gains-to-scale in port machinery. The offshore engineering business will pay close attention to the development trend of the marine economy, synchronously accelerate the market promotion and the technical innovation of offshore engineering products, seize the opportunities of cooperation with important customers, continue to implement various projects such as engineering vessels, crane vessels, wind power installation (operation and maintenance) vessels and so on, and improve the level of production performance and cost control of offshore engineering projects. In terms of shipping business, based on upgrading the fleet management and guaranteeing the transportation of the Company's products, it will seize the opportunities of shipping recovery, offshore wind power construction and overseas industrialized infrastructure construction to improve the industrial competitiveness and the scale efficiency of the enterprise.

(2) Increase resources investment to develop the mature new business. By seizing the opportunities of "new infrastructure Construction", "double-carbon" action and urban transformation, the Company increases resources investment to develop mature new business such as steel structure, offshore wind power and sky parking, gives play to its advantages in fabrication and transportation of steel structure, increase the layout of internal and external production and manufacturing resources to accelerate the implementation of the benchmark projects in key national regions and overseas steel structure markets. By taking the opportunity of national new energy development, and leveraging its unique competitiveness in the field of transportation and installation of offshore wind power equipment, the Company strengthens the professional cooperation with outstanding enterprises in the industry, further excavates the potential of wind power market in important national regions such as Guangdong and overseas regions, strives to win the bid for

more general contracting projects for representative wind power projects, and explores the wind farm service operation market. The Company brings into full play the demonstration effects of the benchmark parking projects built or in progress, further gives play to the advantages in equipment and technology, and gradually explores the construction of intelligent parking full-scene solutions and the whole industry chain service model.

(3) Actively explore new fields related to the primary business. By seizing the opportunity of renewal and reconstruction of old port machinery in global ports and terminals, the Company strives to obtain the paid value-added services with a higher market share in the field of renewal and reconstruction of port machinery, and improve the scale benefit of after-market services through advance planning and comprehensive operation. Based on the renewal and renovation of port machinery, with Terminexus online spare parts service platform as the foundation, the Company will gradually build a comprehensive digital service platform integrating design, consultation, procurement and service, and construct a new business growth pole with digital service as the main carrier.

(4) Moderately develop investment and financing businesses related to the primary business. By leveraging its brand, resources, low financing cost and other advantages, the Company identifies the specific advantages, specific regions and specific partners to carry out investment and financial business in the right time with a focus on the primary business. It actively participates in the equity investment of important customers of domestic ports and listed suppliers of supporting parts related to the Company's primary business, and invests in the projects with low risk and stable benefits such as offshore wind power, steel structure, parking garage, etc.

(5) Accelerate other businesses in a steady and orderly manner. Focusing on national strategy, market demand, development advantages, input-output factors, the Company further explores and accelerates the emerging businesses such as prefabricated building in a steady and orderly manner. As to the prefabricated building business, the Company actively implements the prefabricated steel-structured benchmark projects by exploiting its advantages in design and fabrication of steel structures. In the marine economy, people's livelihood engineering, new energy and other fields, the Company should strengthen the situation analysis, speed up the efforts to foster differentiated advantages, upgrade the business qualification, and actively follow up and implement the projects with distinct advantages and considerable benefits.

(III) Operation plan

√ Applicable □ Not Applicable

Adhering to the overall requirements of the "Year of High-quality Development and Improvement", the Company will promote new achievements in its high-quality development by adopting the "people-centered, port-based, steel-guided and quality-backed" approach and adhering to the principles of pursuing progress while ensuring stability, promoting stability through progress, and establishing the new before abolishing the old.

1. Keep up with industry development

The Company will accelerate high-end development, and strengthen integrated application and innovation by taking the opportunity of upgrading the traditional equipment industry to high-end development, focusing on the construction, transformation and upgrading of automated terminals; accelerate intelligent development, carry out intelligent transformation centered around replacement of core equipment components, replacement of production line, and replacement of manpower with machine, and promote the digital connection among organizations, devices and key processes; accelerate green development, build an efficient, clean, low-carbon and circular green manufacturing system, and create a resource-effective and environment-friendly industrial structure and production mode at a faster pace.

2. Improve the operation system

The Company will improve the intensive operation system, firmly establish the philosophy of "coordinating efforts all over the Company as on a single chessboard", optimize the organizational structure and operational mechanism of the headquarters, and rationalize the relationships among responsibilities, powers and rights of organizations at all levels; improve the integrated operation system running through all areas, aspects and processes such as scientific research, design, procurement, manufacturing, transportation, installation, operation and maintenance, and enhance the integrated service capabilities of equipment manufacturing; improve the after-sales service system, adopt a customer-



centered approach, establish a lifecycle management system, raise service awareness, optimize customer experience, and increase service efficiency.

3. Strengthen market development

On the basis of consolidating the advantages of traditional business, the Company will intensify efforts to develop market segments and incremental markets, increase R&D and market development efforts for green and low-carbon equipment, automated transformation of terminals and electric mobile machinery, continue to promote standardized and modular construction of products, and accelerate the rollout of lightweight port machinery products; continue to develop the offshore engineering market, dig into the development of special construction vessels and other segments, consolidate the core competitiveness of offshore engineering flagship products, and duly advance the development of the international offshore engineering market; build core competitiveness in the steel structure market, vigorously expand the market for heavy and extra-large steel structures, improve qualifications, and strengthen comprehensive reform and innovation in cost, production capacity, technology, model, management and service; speed up the exploration of related emerging industries, further investigate new energy, port automated storage and retrieval system (AS/RS) and port machinery accessory industries, create a pool of strategic partner resources, and improve cooperation mechanisms.

(IV) Potential risks

Applicable Not Applicable

1. Market risk

The main business of the Company is closely related to the operation and development of macro economy and the industry cycle of the shipping industry. The complexity and difficulties of world economic situation still exist, with geopolitics, food security, energy security, fragile macroeconomics, growing inflation and rising debt crisis continuing to affect global trade and investment, as well as the stability of international financial markets. The Company will strengthen the scientific study and judgment of the macro political and economic situation, identify the systematic risks in time, and make risk response plans in advance.

2. Interest rate and exchange rate risk

The Company's interest rate risk mainly comes from interest-bearing liabilities. In addition, a certain proportion of overseas business brings a certain scale of foreign exchange revenue and expenditure to the Company. The Company will pay close attention to changes in exchange rates, optimize the structure of foreign currency assets and liabilities, adhere to the concept of exchange rate risk neutrality, incorporate exchange rate fluctuations into daily financial decisions, consider exchange costs into project costs, and prevent exchange rate fluctuations from having a large impact on operating results, so as to achieve sound business development.

3. Supply chain security

As an export-oriented enterprise, the issue of international supply chain security and stability is still serious. The Company will continue to deepen supply chain management in all respects, integrate internal and external resources, promote the systematic construction of supply chain, focus on improving the resilience and security level of the supply chain, enhance the independent controllability of supply, accelerate the localization rate of key systems and important supporting parts such as electric control assembly, cable reel and elevator, and build the core competitiveness and driving force for the development of the Company.

(V) Others

Applicable Not Applicable

VII. Explanation of circumstances and reasons for non-disclosure by the Company in consideration of inapplicable regulations, state secrets and commercial secrets

Applicable Not Applicable

Section IV Corporate Governance

I. Related information about corporate governance

Applicable Not Applicable

During the reporting period, the Company continuously improved the level of corporate governance, continuously improved the quality of information disclosure, further strengthened investor relations management, and safeguarded the legitimate rights and interests of the Company and all shareholders effectively in strict accordance with the requirements of relevant laws, regulations and management documents, ensuring its sustainable and stable development. In 2023, the Company held a total of 14 meetings of the Board of Directors, 6 meetings of the Board of Supervisors and 4 meetings of the General Meeting of Shareholders, and the procedures of convening, holding, voting and disclosure of all meetings were in compliance with laws and regulations and the requirements of the Company's management system.

The Company focused on improving the governance system and continued to strengthen the corporate governance structure. In 2023, the Company revised the Implementation Rules for Specialized Committees of the Board of Directors" and changed the list of proceedings of each special committees in accordance with the latest national laws and regulations and the Company's actual situation, laying the foundation for the standardized and efficient operation of each special committee; drafted the "Follow-up, Implementation and Post-Evaluation System for Resolutions of Board of Directors" to clarify the organizational structure of the Follow-up, Implementation and Post-Evaluation System for Resolutions of Board of Directors and its responsibilities, procedures and methods to ensure the implementation and efficient execution of the resolutions of Board of Directors; dynamically changed the lists of proceedings and decisions of each governance body, and integrate them into a "multiple sheets, one table" to clarify the whole-process decision-making chain and further optimize its corporate governance system.

The Company earnestly fulfilled its information disclosure obligations and continuously improved the quality of information disclosure. In 2023, the Company continued to consolidate the information disclosure responsibilities of relevant entities, stepped up departmental coordination on information disclosure, actively organized special training on information disclosure and related transactions, and improved its professional capabilities for information disclosure. During the reporting period, the Company strictly fulfilled its compliance disclosure obligations in accordance with the requirements of the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange" and the "Management Measures for Corporate Information Disclosure", and increased voluntary disclosure. A total of 108 announcements were issued during the year, including 56 extraordinary announcements, 48 online announcement documents and 4 periodic reports. Information disclosure was oriented towards investor needs, featuring concise and clear content and in easily understood language, which could help investors make value judgments and investment decisions.

The Company continued to improve investor relations management and further enhance communication with the capital market. In 2023, the Company formulated the "Annual Investor Relations Management Plan" to define annual goals, and introduced the "Work Manual for Investor Relations Management" to regulate work standards. The Company communicated with the capital market through multiple channels, at multiple levels and from multiple perspectives. Daily communication was maintained with investors through investor email, investor hotline, "SSE E-Interactive" and other means; regular performance briefings were held, and roadshows and reverse roadshows were actively organized, so that the Company's chairman, president, CFO, independent directors, board secretary and heads of relevant departments could communicate closely with investors, introduce the Company to the capital market, interpret the Company's investment value, and enhance the mutual understanding and recognition between the Company and investors.

Indicate whether there was any material incompliance with the applicable laws and administrative regulations, as well as the CSRC's requirements on corporate governance. If yes, please explain.

Applicable Not Applicable

II. Specific measures taken by the controlling shareholder and actual controller to guarantee the asset, personnel, financial, organizational and business independence of the Company, as well as solutions, progress and subsequent plans when the Company's independence is intervened

Applicable Not Applicable

Indicate whether the controlling shareholder, the actual controller, or any entity under their control is engaged in the same or similar business with the Company. Please explain the impact of horizontal competition or any significant change to horizontal competition on the Company, solutions taken, progress and subsequent plans.

Applicable Not Applicable

III. Brief introduction to the general meeting of shareholders

Session of meeting	Convening date	Query index of the website specified for publishing resolutions	Date of disclosure for publishing resolutions	Resolutions
2022 Annual General Meeting of Shareholders	June 28, 2023	www.sse.com.cn; enter the stock code to search	June 29, 2023	Reviewed and approved the "Proposal on Reviewing the 2022 Work Report of Board of Directors", the "Proposal on Reviewing the Work Report of Independent Directors in 2022" and other proposals (See Extraordinary Announcement No. 2023-027 for details)
2023 First Extraordinary General Meeting of Shareholders	August 21, 2023	www.sse.com.cn; enter the stock code to search	August 22, 2023	Reviewed and approved the "Proposal on the Company's Compliance with the Conditions for Issuing A Shares to Specific Targets", the "Proposal on the Company's Plan for Issuing A Shares to Specific Targets" and other proposals (See Extraordinary Announcement No. 2023-035 for details)
2023 Second Extraordinary General Meeting of Shareholders	October 24, 2023	www.sse.com.cn; enter the stock code to search	October 25, 2023	Reviewed and approved the "Proposal on Reviewing the Additional Election of Mr. You Ruikai as a Director of the Company" (See Extraordinary Announcement No. 2023-045 for details)
2023 Third Extraordinary General Meeting of Shareholders	November 29, 2023	www.sse.com.cn; enter the stock code to search	November 30, 2023	Reviewed and approved the "Proposal on Reviewing the Sale of Ship Assets by Subsidiaries" (See Extraordinary Announcement No. 2023-049 for details)

Extraordinary general meetings of shareholders convened at the request of preference shareholders with resumed voting rights

Applicable Not Applicable

Particulars about the general meeting of shareholders

Applicable Not Applicable

In 2023, the Company convened 4 general meetings of shareholders, which were convened and held in accordance with relevant laws and rules including the "Company Law of the People's Republic of China", the "Rules for General Meetings of Shareholders of Listed Companies" and the "Articles of Association"; the qualifications of the attendees and the convener were lawful and effective; the voting procedures and results of the meetings were lawful and effective; and the resolutions of the general meetings of shareholders were lawful and effective.

IV. Directors, Supervisors and Senior Executives

(I) Changes in shares held by current and resigned directors, supervisors and senior executives during the reporting period and their remunerations

√ Applicable □ Not Applicable

Unit: Share

Name	Post	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB'0,000)	Remuneration received from any of the Company's related parties or not
You Ruikai	Director			October 24, 2023	June 27, 2024						
	Chairman	Male	57	February 27, 2024	June 27, 2024	0	0	0		17.20	Yes
	Vice chairman			October 24, 2023	February 27, 2024						
Ou Huisheng	Director	Male	54	September 15, 2022	June 27, 2024	0	0	0		89.29	No
	General manager (president)			August 30, 2022	June 27, 2024						
Zhu Xiaohuai	Director	Male	55	June 28, 2021	June 27, 2024	0	0	0		88.12	No
	Executive general manager			December 12, 2022	June 27, 2024						
	CFO			July 12, 2021	June 27, 2024						
Wang Cheng	Director	Male	51	August 25, 2021	June 27, 2024	0	0	0		78.05	No
Zhang Jianxing	Director	Male	62	December 28, 2022	June 27, 2024	0	0	0		9	Yes
Sheng Leiming	Independent director	Male	54	June 28, 2021	June 27, 2024	0	0	0		12	No
Zhang Hua	Independent director	Male	51	June 28, 2021	June 27, 2024	0	0	0		12	No
Zhao Zhanbo	Independent director	Male	48	June 28, 2021	June 27, 2024	0	0	0		12	No
Xia Lijun	Independent director	Male	48	June 28, 2023	June 27, 2024	0	0	0		6	No
Zhang Lijie	Supervisor	Male	54	August 25, 2021	June 27, 2024	0	0	0		77.75	No
	Chief supervisor			August 30, 2021	June 27, 2024						
Zhao Jizhu	Supervisor	Male	46	June 28, 2023	June 27, 2024	0	0	0		0	Yes
Wei Wei	Employee supervisor	Male	52	June 28, 2021	June 27, 2024	0	0	0		76.39	No
Liu Feng	Vice president	Male	53	October 29, 2021	June 27, 2024	0	0	0		79.95	No
Zhang Jian	Vice president	Male	55	July 12, 2021	June 27, 2024	0	0	0		76.01	No
Shan Jianguo	Vice president	Male	60	July 12, 2021	June 27, 2024	0	0	0		71.85	No
	Chief engineer			February 20, 2023	June 27, 2024						
Li Ruixiang	Vice president	Male	49	February 20, 2023	June 27, 2024	0	0	0		74.94	No
	Chief economist			July 12, 2021	June 27, 2024						



Name	Post	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB'0,000)	Remuneration received from any of the Company's related parties or not
Sun Li	Chief legal counsel, secretary of the board, chief compliance officer	Male	52	July 12, 2021	June 27, 2024	0	0	0		72.97	No
Lu Hanzhong	Vice president	Male	49	February 20, 2023	June 27, 2024	0	0	0		74.94	No
Shen Qiuyuan	Vice president	Female	47	February 20, 2023	June 27, 2024	0	0	0		90.57	No
Liu Chengyun	Director, chairman (resigned)	Male	55	June 28, 2021	February 26, 2024	0	0	0		66.50	No
Bai Yunxia	Independent director (resigned)	Female	51	June 28, 2021	June 28, 2023	0	0	0		6	No
You Hua	Supervisor (resigned)	Male	61	June 28, 2021	April 28, 2023	0	0	0		0	Yes
Liu Qizhong	Vice president (resigned)	Male	60	July 12, 2021	February 20, 2023	0	0	0		24.61	No
Fei Guo	Chief engineer (resigned)	Male	62	July 12, 2021	February 20, 2023	0	0	0		19.30	No
Total	/	/	/	/	/					1,135.44	/

Name	Main working experiences
You Ruikai	Born in 1967, male, bachelor, EMBA master, senior engineer. He began his career in July 1990. From April 2007, he successively served as deputy general manager of the Investment Division of CCCC Second Harbor Engineering Co., Ltd. ("CCCC SHEC"), vice chairman, general manager and chairman of CCCC Yunfu New Port Co., Ltd., general manager of the Investment Division of CCCC SHEC, deputy secretary of the Party Committee general manager of the Investment Division of CCCC SHEC. From August 2013, he served as deputy general manager of CCCC SHEC. From May 2016, he successively served as deputy secretary of the Party Committee, director, general manager, secretary of the Party Committee, chairman and general manager of CCCC SHEC. From November 2018 to September 2023, he served as secretary of the Party Committee and chairman of CCCC SHEC. Currently, he is a director and chairman of the Company.
Ou Huisheng	Born in 1970, male, PhD, senior economist, accountant, CPA. He began his career in 1992 and successively served as the president of Zhuhai Fuhua Group Co., Ltd. (renamed as Zhuhai Port Co., Ltd. in September 2010), director of Zhuhai Fuhua Group Co., Ltd. (Zhuhai Port Co., Ltd.), director and deputy secretary of the Party Committee of Zhuhai Port Holdings Group Co., Ltd., general manager of Zhuhai Port Holdings Group Co., Ltd., chairman, party secretary, and legal representative of Zhuhai Port Holdings Group Co., Ltd., legal representative of Zhuhai Port Co., Ltd., chairman of the board of directors of Zhuhai Port Co., Ltd., chairman of Tongyu Heavy Industry Co., Ltd., and chairman of Qingdao Tianneng Heavy Industry Co., Ltd. He has been the general manager (president) of the Company since August 30, 2022 and a director of the Company since September 15, 2022. Currently, he is a director and general manager (president) of the Company.
Zhu Xiaohuai	Born in 1969, male, master of MBA, senior accountant. He began his career in July 1991 and successively served as the section member and vice section manager of Financial Division of CCCC Shanghai Dredging Co., Ltd., vice director of Budget and Finance Department, vice manager (in charge of the work) or manager of Finance Department, and member of commission for disciplinary inspection of CCCC Shanghai Dredging Co., Ltd., and the director, chief accountant and Party committee standing member of CCCC Shanghai Dredging Co. Ltd. He has been the executive general manager of the Company since December 12, 2022 and is currently a director, the executive general manager and CFO of the Company.
Wang Cheng	Born in 1973, male, master of engineering, senior political worker. He started working in August 1994 and successively served as the vice secretary or secretary of league committee, and vice secretary or secretary of Party Branch of No. 2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.; vice director and director of Organization Department of CCCC Third Harbor Engineering Co., Ltd.; secretary of the Party Committee and vice general manager of No. 2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.; chairman of board of supervisors, vice secretary of the Party Committee, secretary of Committee for Discipline Inspection and chairman of labor union of CCCC Third Harbor Engineering Co., Ltd.; secretary of Commission for Disciplinary Inspection, supervisor and chairman of board of supervisors of the Company. Currently, he is a director and the chairman of labor union of the Company.
Zhang Jianxing	Born in 1962, male, bachelor, senior accountant. He began his career in August 1985 and successively served as a cadre in the Finance Department of CCCC Shanghai Dredging Co. Ltd., deputy chief of the Finance Section of Jiuzhou Dredging Engineering Company under CCCC Shanghai Dredging Co. Ltd., deputy director and director of the Planning and Finance Department of CCCC Shanghai Dredging Co. Ltd., member of the Party Committee, deputy general manager and chief financial officer of CHEC Dredging Co., Ltd., secretary of the Party Committee, deputy general manager and chief financial officer of CHEC Dredging Co., Ltd., member of the Party Committee, director and chief accountant of CCCC Shanghai Dredging Co. Ltd., director and general manager of CCCC Financial Leasing Co., Ltd., and secretary of the Party Committee and chairman of the board of directors of CCCC Financial Leasing Co., Ltd. He has been a director of the Company since December 28, 2022. Currently, he is a director of the Company.

Name	Main working experiences
Sheng Leiming	Born in 1970, male, doctor of laws, first grade lawyer. He successively served as a lawyer assistant and lawyer in Shanghai Foreign Trade Law Firm, a teacher of civil and commercial law in East China University of Political Science and Law, partner and chief lawyer of Shanghai Zhongmao Law Firm, and a lawyer of Guantao Law Firm. Currently, he is an independent director of the Company.
Zhang Hua	Born in 1973, male, PhD in Economics, associate professor of finance. He successively served as a researcher, lecturer, assistant professor and associate professor at China Europe International Business School. Currently, he is an independent director of the Company.
Zhao Zhanbo	Born in 1976, male, PhD. He had served as a teacher in School of Software & Microelectronics, Peking University since 2005 and now he is a professor. He is mainly engaged in the research in Internet business model innovation and corporate development strategy. Currently, he is an independent director of the Company.
Xia Lijun	Born in 1976, male, PhD, professor of accounting, certified public accountant. From July 2006 to March 2011, he successively served as lecturer, master tutor, professor and doctoral tutor of the School of Accounting, Shanghai University of Finance and Economics. From March 2011 to March 2023, he served as the director of the Department of Accounting, Antai College of Economics and Management, Shanghai Jiao Tong University. From March 2011 to present, he has been a professor and doctoral tutor of Antai College of Economics and Management, Shanghai Jiao Tong University. He is also a member of the Professional Accounting Education Steering Committee of the Ministry of Education, a member of the China National MPAcc Education Steering Committee, a director of the Accounting Society of China, a director of China Audit Society, vice president of Shanghai Audit Society, vice president of Shanghai Cost Research Society, and an executive director of Shanghai Accounting Society. He has been selected into the "Accounting Masters Training Program" of the Ministry of Finance and other talent programs. Currently, he is an independent director of the Company.
Zhang Lijie	Born in April 1970, male, master, senior engineer and senior political engineer. He started working in August 1991 and successively served as deputy manager, manager, section chief of Construction Section and manager of Engineering Department of No.6 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd. Jiaying Branch; deputy secretary of the Party committee and secretary of the Discipline Inspection Commission, and deputy general manager of CCCC Third Harbor Engineering Co., Ltd. Xiamen Branch; director of the Party Committee Work Department and general manager of the Corporate Culture Department of CCCC Third Harbor Engineering Co., Ltd.; secretary of the Party committee and deputy general manager of CCCC Third Harbor Engineering Co., Ltd. Xiamen Branch; member of the Party committee of CCCC Third Harbor Engineering Co., Ltd., secretary of the Party committee, general manager and executive director (legal representative) of Xiamen Branch. Currently, he is the chief supervisor of the Company.
Zhao Jizhu	Born in 1978, male, master, senior accountant. He successively served as chief accountant of CCCC Road and Bridge Chongqing Fufengshi Highway Development Co., Ltd., deputy general manager of the Finance and Accounting Department, deputy director of the General Manager's Office (in charge of work) and chief accountant of the Construction Management Branch of CCCC Road and Bridge International Co., Ltd., director and general manager of CCCC Qingyuan Investment and Development Co., Ltd., assistant general manager and deputy general manager of the Audit Department of CCCC, member of the Standing Committee of the CPC and deputy general manager of CCCC Real Estate, and secretary of CPC Working Committee, chairman and general manager of CCCC Dingxin. From August 2022 to present, he is a chief expert and deputy general manager of the Audit Department of CCCC and CCCC. Currently, he is a supervisor of the Company.
Wei Wei	Born in February 1972, male, bachelor, senior political worker. He started working in August 1990, and successively served as secretary of the General Youth League branch of the Technical School of Shanghai Port Machinery Manufacturing Plant, secretary of the Youth League Committee, chairman of the labor union of the metal processing workshop, and secretary of the Party branch of the gearbox workshop of Shanghai Port Machinery Manufacturing Plant; manager of the Human Resources Department, chairman of the Labor Union and Deputy Secretary of the Party branch of ZPMC Nanhui Base, deputy secretary of the temporary general Party branch, chairman of the Labor Union and general office manager of Shanghai Port Machinery Heavy Industry Co., Ltd.; head of the first discipline inspection team assigned by the Discipline Inspection Committee, director of the Trade Union Office and deputy general manager (in charge of work) of the Administrative Affairs Department of ZPMC. Since May 2021, he has been the vice chairman of the Labor Union and director of the Labor Union Office of ZPMC. From January 2024 to present, he serves as director (director, general manager, head) of the Work Department of Party Committee (United Front Work Department of Party Committee, Corporate Culture Department and Labor Union Office). Currently, he is the employee supervisor and vice chairman of the Labor Union of the Company.
Liu Feng	Born in 1971, male, master, senior engineer and senior economist. He started working in July 1995, and successively served as deputy director (in charge of work) and director of the Second Division of the Department of Industry and Trade of CCCC; director and general manager assistant of the Equipment Manufacturing Marine Heavy Industry Department of CCCC; deputy general manager of the Equipment Manufacturing Marine Heavy Industry Department, deputy general manager of Science and Technology Equipment Department, deputy director of Chief Engineer Office of CCCC; deputy general manager (deputy director) of the Department of Science, Technology and Digitalization (Chief Engineer Office) of CCCC and CCCC. Currently, he is the vice president of the Company.
Zhang Jian	Born in 1969, male, MBA, senior engineer. He successively served as the technician, production planner and assistant director of No. 2 Panel beater of Shanghai Port Machinery Manufacturing Plant, director of gearbox branch of Shanghai Port Machinery Manufacturing Plant, vice director and member of the Party committee of Shanghai Port Machinery Manufacturing Plant, vice general manager of Shanghai Port Machinery Heavy Industry Co., Ltd., general manager and president assistant of ZPMC Operation Office. Currently, he is the vice president of the Company.
Shan Jianguo	Born in 1964, male, bachelor, senior engineer. He started working in July 1988, and successively served as the technician in Shanghai Port Machinery Manufacturing Plant, the engineer and chief engineer of ZPMC Machinery Office, general manager and vice chief engineer of No.4 design office of design company, vice director and director of ZPMC Machinery Office, manager of budget assessment department and the dean of ZPMC Land-based Heavy Industry Research & Design Institute, and the president assistant of the Company. He has been the vice general manager (vice president) of the Company since February 2015 and the chief engineer of the Company since February 20, 2023. Currently, he is the vice president and chief engineer of the Company.



Name	Main working experiences
Li RuiXiang	Born in 1975, male, bachelor, senior economist. He successively served as the director of Technical Process Department, trainee manager of Manufacturing Department and manager of Quality Assurance Department of Zhangjiagang Base of Shanghai Port Machinery Plant; project leader, office manager, vice director of Quality Safety Office of ZPMC Quality Inspection Company, vice general manager and general manager of mechanical supporting base, secretary of Party Branch, vice chief economist, general manager of budget assessment department, general manager of Material and Equipment Procurement Department and president assistant of the Company. He has been the vice president of the Company since February 20, 2023. Currently, he is the vice president and chief economist of the Company.
Sun Li	Born in 1972, male, EMBA, senior engineer. He successively served as the project leader and vice manager of Operation Department, vice director of Operation Office and director of Off-Shore Office, general manager assistant, vice president and director of the Company. Currently, he is the chief legal counsel, secretary of the board and chief compliance officer of the Company.
Lu Hanzhong	Born in 1975, male, bachelor, Bachelor of Engineering, senior engineer. He started working in July 1997 and successively served as the supervisor of Process Department and deputy manager of Process Department of the Company, deputy general manager of Changxing Base, general manager of Changxing Base, deputy chief craftsman and manager of Process Department of the Company, and general manager of Steel Structure Division. He has been the vice president of the Company since February 20, 2023. Currently, he is the vice president and chief craftsman of the Company.
Shen Qiuyuan	Born in 1977, female, bachelor of economics, senior economist. She started working in August 1999, and successively served as the project supervisor of the Business Department, general manager of the Project Management Department of the Business Office, general manager of the Port Machinery Business Department, deputy chief economist of the Company, general manager of the investment group and general manager of the Strategic Development Department of the Company. She has been the vice president of the Company since February 20, 2023. Currently, she is the vice president of the Company.
Liu Qizhong	Born in 1964, male, bachelor, senior economist. He started working in August 1983 and successively served as the manager of Operating Department and the vice president of the Company, and serves as the director of the Company since March 2004. He resigned as a director of the Company on December 28, 2022 for personal reasons, and resigned as the vice president of the Company on February 20, 2023 for personal reasons. Currently, he is a consultant of the Company.
Liu Chengyun (resigned)	Born in 1969, male, master, senior economist, senior engineer. He began his career in August 1989, and successively served as deputy director of CCCC Fourth Harbor Engineering Co., Ltd., vice general manager of CCCC Investment Co., Ltd., secretary of the Party committee, chairman and general manager of CCCC Nansha Investment Development Co., Ltd. and CCCC Urban Investment Holding Co., Ltd., general manager and secretary of CPC Working Committee of CCCC South China regional headquarters, general manager of the Strategic Development Department of China Communications Construction Company Ltd. (CCCC), general manager of the Investment Division of CCCC, director of the board office and general manager of the Strategic Development Department of China Communications Construction Group Co., Ltd. (CCCCG) and CCCC. He resigned as the chairman and director of the Company on February 26, 2024 due to job adjustment. Currently, he is the deputy general manager of CCCC.
Bai Yunxia (resigned)	Born in October 1973, female, PhD in accounting from Xiamen University, post-doctor in accounting of Guanghua School of Management, Peking University, professor of accounting, doctoral tutor. She started working in 1995, and successively served as the assistant engineer of Kaiyuan Group under Xi'an Jiaotong University, lecturer of School of Economics and Management of Tongji University, research scholar of CKGSB. She resigned as an independent director of the Company due to the expiration of her term on June 28, 2023.
You Hua (resigned)	Born in 1963, male, bachelor, senior accountant. He successively served as the assistant director and deputy director of Finance Department of China Harbour Engineering Company Limited, and finance manager of CHUWA Bussan Company Limited (Japan); general manager of the Finance Department and director of Capital Settlement Center, deputy chief accountant and general manager of Finance Department of China Harbour Engineering Company (Group); general manager of Capital Department and director of Capital Settlement Center of CCCG; director and chief accountant of China Harbour Engineering Company Limited; director, vice general manager and chief accountant of CCCC Investment Co., Ltd.; director, general manager and deputy secretary of Party Committee of CCCC Finance Co., Ltd. Since December 2019, he has been a full-time outside director of CCCG. He resigned as a supervisor of the Company due to personal reasons on April 28, 2023.
Fei Guo (resigned)	Born in 1962, male, EMBA, professor-level senior engineer. He successively served as the engineer of Shanghai Port Machinery Plant, electrical engineer of the Technology Department, director of No. 5 Electrical Office, vice chief engineer, chief engineer, director of Development Office and vice president of ZPMC. He resigned as the chief engineer of the Company on February 20, 2023 due to personal reasons.

Notes to other circumstances

Applicable Not Applicable

(II) Incumbency of current and resigned directors, supervisors and senior executives during the reporting period

1. Position at the shareholder entity

Applicable Not Applicable

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure
Liu Chengyun	China Communications Construction Group Co., Ltd.	Vice general manager	July 2023	
Zhao Jizhu	China Communications Construction Group Co., Ltd.	Deputy general manager (deputy director), chief expert of Audit Department (Dispatched Supervisor Office, Audit Center)	August 2022	
Statement of the position held in shareholding entity				

2. Statement of the position held in other entities

√ Applicable □ Not Applicable

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Expiration date of tenure
Ou Huisheng	CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Director	January 2023	
Zhu Xiaohuai	CCCC Financial Leasing Co., Ltd.	Director	May 2018	
Zhang Jian	CCCC Shanghai Equipment Engineering Co., Ltd.	Chairman	March 2017	
Shan Jianguo	CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Vice general manager	December 2019	
	Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	Director	November 2020	
	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Director	November 2020	
	Sinoocean Offshore Assets Management Limited	Director	September 2021	
Lu Hanzhong	Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Executive director	December 2022	November 2023
Shen Qiuyuan	Zhenhua Marine Energy (HK) Co., Ltd.	Chairman	August 2021	
	Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Director	August 2021	
Zhang Jianxing	CCCC Industrial Investment Holding Company Ltd.	Director	December 2022	
Zhao Zhanbo	School of Software & Microelectronics, Peking University	Professor	2015	
	Yingda Taihe Life Insurance Co., Ltd.	Independent director	January 2022	
Zhang Hua	China Europe International Business School	Vice professor	July 2016	
	Jiangsu Liyan Technology Co., Ltd.	Independent director	April 2017	
	Zhejiang Hengwei Battery Co., Ltd.	Independent director	May 2017	April 2023
	Nanjing Sunlord Electronics Corporation Ltd.	Independent director	November 2017	
	Chengdu Qushui Science and Technology Co., Ltd.	Independent director	December 2019	
Sheng Leiming	All China Lawyers Association	Vice president	December 2011	
	Guantao Law Firm	Lawyer	2016	
	Tsingtao Brewery Co., Ltd.	Independent director	May 2020	
	Shanghai United Imaging Healthcare Co., Ltd.	Independent director	December 2020	
	Shanghai Foreign Service Holding Group Co., Ltd.	Independent director	September 2021	
	Kweichow Moutai Co., Ltd.	Independent director	June 2022	
	Shanghai Jiao Tong University	Director of Accounting Department	March 2011	March 2023
	Shanghai Jiao Tong University	Professor, doctor tutor	March 2011	
	Huatai Baoxing Fund Management Co., Ltd.	Independent director	July 2016	March 2024
Xia Lijun	Zhejiang Sunrise Garment Group Co., Ltd.	Independent director	October 2018	
	Shanghai Bacai Information Technology Co., Ltd.	Executive director	April 2018	
	Shenzhen Huitai Medical Equipment Co., Ltd.	Independent director	November 2019	
	East Money Information Co., Ltd.	Independent director	January 2020	January 2023
	Shanghai Tongji Science & Technology Co., Ltd.	Independent director	April 2020	
	Orient Securities Co., Ltd.	Independent supervisor	March 2021	
	Jiangsu Recbio Technology Co., Ltd.	Independent director	June 2021	
Statement of the position held in other entities				



(III) Remuneration of directors, supervisors and senior executives

Applicable Not Applicable

Decision-making process for the remuneration of directors, supervisors and senior executives	In accordance with the regulations of "Articles of Association", the remuneration of directors and supervisors is subject to the general meeting of shareholders and the remuneration of the senior executives is approved by the board of directors.
Do directors recuse themselves when the Board of Directors discusses matters relating to their remuneration	Yes
Recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors on the remuneration of directors, supervisors and senior executives	The Remuneration and Appraisal Committee maintained that the remuneration policy and compensation for directors, supervisors and senior executives of the Company during the reporting period were legal, compliant and reasonable.
Basis for deciding the remuneration of directors, supervisors and senior executives	The basic salary plus performance bonus is assessed in combination with the quantitative index of production and operation, etc.
Actual payout of remuneration for directors, supervisors and senior executives	See the "Changes in shares held by current and resigned directors, supervisors and senior executives during the reporting period and their remunerations" in this section for details.
Total remuneration actually obtained by all directors, supervisors and senior executives at the end of reporting period	RMB 11,354,400

(IV) Change in directors, supervisors and senior executives

Applicable Not Applicable

Name	Post	Change	Reason of change
You Ruikai	Director, Chairman	Elected	Job adjustment
Xia Lijun	Independent director	Elected	Additional director, elected by the general meeting of shareholders
Zhao Jizhu	Supervisor	Elected	Job adjustment
Shan Jianguo	Chief engineer	Engaged	Job adjustment
Li Ruixiang	Vice president	Engaged	Job adjustment
Lu Hanzhong	Vice president	Engaged	Job adjustment
Shen Qiuyuan	Vice president	Engaged	Job adjustment
Liu Chengyun	Director, Chairman	Resigned	Job adjustment
Bai Yunxia	Independent director	Resigned	Expiry of term of office
You Hua	Supervisor	Resigned	Retired for personal reasons
Liu Qizhong	Vice president	Resigned	Personal reasons
Fei Guo	Chief engineer	Resigned	Personal reasons

(V) Punishments by securities regulatory authority in recent three years

Applicable Not Applicable

(VI) Others

Applicable Not Applicable

V. Related information about the board meetings convened during the reporting period

Session of meeting	Convening date	Resolutions
17th meeting of the 8th Board of Directors	February 20, 2023	Reviewed and approved the "Proposal on Reviewing the Appointment of Mr. Shan Jianguo as Chief Engineer" and other proposals (See Extraordinary Announcement No. 2023-002 for details)
18th meeting of the 8th Board of Directors	March 30, 2023	Reviewed and approved the "Proposal on Reviewing the 2022 Work Report of Board of Directors" and other proposals (See Extraordinary Announcement No. 2023-003 for details)
19th meeting of the 8th Board of Directors	April 28, 2023	Reviewed and approved of the "Proposal on Reviewing the 2023 First Quarterly Report of the Company"

Session of meeting	Convening date	Resolutions
20th meeting of the 8th Board of Directors	May 25, 2023	Reviewed and approved the "Proposal on the Company's Compliance with the Conditions for Issuing A Shares to Specific Targets" and other proposals (See Extraordinary Announcement No. 2023-012 for details)
21st meeting of the 8th Board of Directors	June 7, 2023	Reviewed and approved the "Proposal on Reviewing the 2023 Plan for Issuing Asset-Backed Securities" and other proposals (See Extraordinary Announcement No. 2023-024 for details)
22nd meeting of the 8th Board of Directors	June 28, 2023	Reviewed and approved the "Proposal on Reviewing the Revision of the Fixed Asset Management Measures" and other proposals (See Extraordinary Announcement No. 2023-029 for details)
23rd meeting of the 8th Board of Directors	August 3, 2023	Reviewed and approved the "Proposal on Reviewing the Adjustment to Members of Special Committees under the Board of Directors" and other proposals (See Extraordinary Announcement No. 2023-031 for details)
24th meeting of the 8th Board of Directors	August 28, 2023	Reviewed and approved the "Proposal on Reviewing the Full Text and Summary of 2023 Semi-Annual Report of the Company" and other proposals (see Extraordinary Announcement No. 2023-036 for details)
25th meeting of the 8th Board of Directors	September 22, 2023	Reviewed and approved the "Proposal on Reviewing and Revising the Implementation Rules and List of Proceedings of Specialized Committees of the Board of Directors" and other proposals (See Extraordinary Announcement No. 2023-040 for details)
26th Meeting of the 8th Board of Directors	October 7, 2023	Reviewed and approved the "Proposal on Reviewing the Additional Election of Mr. You Ruikai as a Director and the Election of Him as Vice Chairman of the Company" and other proposals (See Extraordinary Announcement No. 2023-042 for details)
27th Meeting of the 8th Board of Directors	October 30, 2023	Reviewed and approved the "Proposal on Reviewing the 2023 Third Quarterly Report of the Company"
28th Meeting of the 8th Board of Directors	November 13, 2023	Reviewed and approved the "Proposal on Reviewing the Sale of Ship Assets by Subsidiaries" and other proposals (See Extraordinary Announcement No. 2023-046 for details)
29th Meeting of the 8th Board of Directors	December 6, 2023	Reviewed and approved the "Proposal on Reviewing the Foreign Investment for the Establishment of a Joint Venture" and other proposals (See Extraordinary Announcement No. 2023-050 for details)
30th Meeting of the 8th Board of Directors	December 26, 2023	Reviewed and approved the "Proposal on Reviewing the Long-Term Equity Incentive Plan (Draft) of Shanghai Zhenhua Heavy Industries Co., Ltd. and Its Summary" and other proposals (see Extraordinary Announcement No. 2023-053 for details)

VI. Duty performance of directors

(I) Attendance of the directors at the board meetings and the general meeting of shareholders

Director name	Independent director or not	Attendance at Board Meetings					Attendance at the general meeting of shareholders	
		Times of meetings should be attended in this year	Times of personal attendance	Times of attendance by telecommunication	Times of attendance through a proxy	Times of absence	Personal absence for two consecutive times	Times of attendance at the general meeting of shareholders
You Ruikai	No	4	4	1	0	0	No	0
Ou Huisheng	No	14	14	5	1	0	No	3
Zhu Xiaohuai	No	14	14	5	0	0	No	4
Wang Cheng	No	14	14	6	1	0	No	2
Zhang Jianxing	No	14	14	7	1	0	No	2
Sheng Leiming	Yes	14	14	5	0	0	No	4
Zhang Hua	Yes	14	14	8	0	0	No	4
Zhao Zhanbo	Yes	14	14	6	0	0	No	3
Xia Lijun	Yes	9	9	4	0	0	No	3
Liu Chengyun (resigned)	No	14	14	7	0	0	No	2
Bai Yunxia (resigned)	Yes	5	5	3	0	0	No	1



Explanations for personal absence from the meeting for two consecutive times

Applicable Not Applicable

Times of the board meetings convened in current year	14
Including: times of on-site meetings	
Times of meetings convened through telecommunication	4
Times of meetings convened on-site and through telecommunication	10

(II) Objections raised by directors on matters of the Company

Applicable Not Applicable

(III) Others

Applicable Not Applicable

VII. Specialized committees under the Board of Directors

Applicable Not Applicable

(I) Members of specialized committees under the board of directors

Category of specialized committee	Members
Audit committee	Xia Lijun, Zhao Zhanbo, Sheng Leiming, Zhang Hua
Nominating committee	You Ruikai, Wang Cheng, Zhao Zhanbo, Sheng Leiming, Zhang Hua
Remuneration and appraisal committee	Zhao Zhanbo, Zhang Jianxing, Zhang Hua, Xia Lijun
Strategy committee	You Ruikai, Ou Huisheng, Zhang Jianxing, Zhao Zhanbo, Xia Lijun

(II) 8 meetings convened by the audit committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
March 24, 2023	Reviewed the "Proposal on Reviewing the Full Text and Summary of 2022 Annual Report of the Company" and other proposals	All proposals at this meeting were unanimously reviewed and approved.	
April 25, 2023	Reviewed the "Proposal on Reviewing the 2023 First Quarterly Report of the Company"	All proposals at this meeting were unanimously reviewed and approved.	
May 24, 2023	Reviewed the "Proposal on the Company's Issuance of A Shares to Specific Targets Involving Related Transactions" and other proposals	All proposals at this meeting were unanimously reviewed and approved.	
June 27, 2023	Reviewed the "Proposal on Reviewing the Company's 2022 Comprehensive Risk Management Report and 2023 Significant Risk Assessment Report" and other proposals	All proposals at this meeting were unanimously reviewed and approved.	
August 25, 2023	Reviewed the "Proposal on Reviewing the Full Text and Summary of 2023 Semi-Annual Report of the Company" and other proposals	All proposals at this meeting were unanimously reviewed and approved.	
September 20, 2023	Reviewed the "Proposal on Reviewing and Revising the Implementation Rules and List of Proceedings of the Audit Committee of the Board of Directors"	All proposals at this meeting were unanimously reviewed and approved.	
October 27, 2023	Reviewed the "Proposal on Reviewing the 2023 Third Quarterly Report of the Company"	All proposals at this meeting were unanimously reviewed and approved.	
December 4, 2023	Reviewed the "Proposal on Reviewing the Provision of Guarantee for a Korean Subsidiary" and other proposals	All proposals at this meeting were unanimously reviewed and approved.	

(III) 5 meetings convened by the nominating committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
February 20, 2023	Reviewed the "Proposal on Reviewing the Appointment of Mr. Shan Jianguo as Chief Engineer" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
June 5, 2023	Reviewed the "Proposal on Reviewing the Additional Election of Independent Directors into the 8th Board of Directors"	All proposals at this meeting were unanimously reviewed and approved	
June 27, 2023	Reviewed the "Proposal on Reviewing the Formulation of the List of Proceedings of the Nomination Committee of the Board of Directors"	All proposals at this meeting were unanimously reviewed and approved	
September 20, 2023	Reviewed the "Proposal on Reviewing and Revising the Implementation Rules and List of Proceedings of the Nomination Committee of the Board of Directors"	All proposals at this meeting were unanimously reviewed and approved	
October 4, 2023	Reviewed the "Proposal on Reviewing the Additional Election of Mr. Rui Kai as a Director and the Election of Him as Vice Chairman of the Company"	All proposals at this meeting were unanimously reviewed and approved	

(IV) 6 meetings convened by the remuneration and appraisal committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
March 27, 2023	Reviewed the "Proposal on Reviewing the Remuneration of Directors of the Company for 2022" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
June 27, 2023	Reviewed the "Proposal on Reviewing the Formulation of the List of Proceedings of the Remuneration and Appraisal Committee of the Board of Directors" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
August 25, 2023	Reviewed the "Proposal on Reviewing the Responsibility Agreement for 2023 Annual Business Performance of the Management Team and the Responsibility Agreement for Business Performance of the New Management Team during Its Term 2022-2024" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
September 20, 2023	Reviewed the "Proposal on Reviewing and Revising the Implementation Rules and List of Proceedings of the Remuneration and Appraisal Committee of the Board of Directors" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
December 4, 2023	Reviewed the "Proposal on Reviewing the Results of Assessment on the 2022 Annual Business Performance of the Management Team" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
December 21, 2023	Reviewed the "Proposal on Reviewing the Long-Term Equity Incentive Plan (Draft) of Shanghai Zhenhua Heavy Industries Co., Ltd. and Its Summary" and other proposals	All proposals at this meeting were unanimously reviewed and approved	

(V) 7 meetings convened by the strategy committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
March 27, 2023	Reviewed the "Proposal on Reviewing the Company's 2023 Investment Plan"	All proposals at this meeting were unanimously reviewed and approved	
May 24, 2023	Reviewed the "Proposal on the Company's Compliance with the Conditions for Issuing A Shares to Specific Targets" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
June 5, 2023	Reviewed the "Proposal on Reviewing the 2023 Plan for Issuing Asset-Backed Securities" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
June 27, 2023	Reviewed the "Proposal on Reviewing the Disposal of Equity Assets at the Right Time" and other proposals	All proposals at this meeting were unanimously reviewed and approved	



Convening date	Contents	Important comments and suggestions	Other performance of duties
September 20, 2023	Reviewed the "Proposal on Reviewing the Intention of ZPMC's Wholly-Owned Subsidiary to Introduce Strategic Investors and Employee Stock Ownership Platform to Increase Its Capital" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
November 10, 2023	Reviewed the "Proposal on Reviewing the Sale of Ship Assets by Subsidiaries" and other proposals	All proposals at this meeting were unanimously reviewed and approved	
December 4, 2023	Reviewed the "Proposal on Reviewing the "Foreign Investment for the Establishment of a Joint Venture" and other proposals	All proposals at this meeting were unanimously reviewed and approved	

(VI) Particulars about objections

Applicable Not Applicable

VIII. Description of the risks found by the board of supervisors

Applicable Not Applicable

The board of supervisors has no objection to the supervision matters during the reporting period.

IX. Particulars about the employees in the parent company and the main subsidiaries at the end of the reporting period

(I) Particulars about employees

Number of in-service employees of the parent company	2,882
Number of in-service employees of the main subsidiaries	5,422
Total of in-service employees	8,304
Number of retired employees required to be paid by the parent company and its major subsidiaries	

Functions	
Category	Number of staff
Production staff	3,498
Sales staff	283
Technical staff	3,307
Financial staff	183
Administrative staff	1,033
Total	8,304

Education background	
Education level	Number (person)
Master and above	769
Undergraduate	4,532
Junior College	1,659
Below Junior College	1,344
Total	8,304

(II) Remuneration policies

Applicable Not Applicable

In line with the Company's development strategy, the Company improved the remuneration distribution incentive system and performance assessment system and established and improved the performance assessment system based on the different properties and characteristics of each entity and division; promoted the salary incentive system closely linking the performance distribution with the unit or division performance, value contribution, industrial characteristics, growth

phase and similar factors, and comprehensively linking the staff performance with position duty and value contribution, and thus initially established the distribution mode integrating with the market.

(III) Training plan

Applicable Not Applicable

In line with the Company's development strategy, the Company improved the staff training system. According to the training plan, the Company implemented the training in a planned way to improve the business skill level and professional quality of staff at various levels.

(IV) Labor outsourcing

Applicable Not Applicable

Total of labor outsourcing hours	5,606,280 hours
Total of labor outsourcing remuneration	RMB 312,669,000

X. Proposal for profit distribution or convention of capital reserves into bonus shares

(I) Formulation, implementation or adjustment of cash dividend distribution policies

Applicable Not Applicable

According to the requirements of the Circular on Further Implementation of Relevant Matters Concerning Cash Dividend Distribution of Listed Companies (ZJF [2012] No. 37) issued by the CSRC, as proposed by the 10th meeting of the Company's 5th Board of Directors held on August 21, 2012, amendments were made to the Articles of Association of the Company concerning profit distribution and cash dividends policy, and as a result, the dividend distribution standard and proportion became clearer, related decision making process and mechanism were complete, and the minority shareholders' legal rights and interests were fully protected, giving them the opportunity to fully express their views and demands. No adjustments were made to the cash dividend policy during the reporting period.

On April 24, 2023, the Company held a performance briefing for 2022, at which the Company's management fully communicated with investors on the profit distribution plan for 2022 through online interaction.

On June 28, 2023, the 2022 Annual General Meeting of Shareholders of the Company considered and approved the profit distribution plan for 2022. The profit distribution plan for 2022 of the Company was as follows: no profit distribution was made, and no capital reserve was converted into share capital. Details of the above profit distribution matters are set out in the "Announcement of the Annual Profit Distribution Plan for 2022" published by the Company on the Shanghai Securities News and the website of the Shanghai Stock Exchange (www.sse.com.cn).

As audited by Ernst & Young Hua Ming LLP, the Company achieved a net profit attributable to the owners of the parent company of approximately RMB 520 million in 2023. As at December 31, 2023, the undistributed profit of the parent company was approximately RMB 2.798 billion. To deliver a reasonable return to shareholders and strengthen their investment confidence, a profit distribution proposal for 2023 has been proposed based on the Company's performance in 2023: profits will be distributed based on the total share capital registered on the record date for the implementation of the equity distribution, and a cash dividend of RMB 0.50 (tax included) per 10 shares would be distributed to all shareholders. As of December 31, 2023, the Company's total share capital consisted of 5,268,353,501 shares. When calculated on this basis, the total cash dividend to be distributed will be RMB 263,417,675.05 (tax included). The Company will not convert capital reserve into share capital, or grant bonus shares for 2023. The profit distribution proposal has yet to be submitted to the 2023 Annual General Meeting of Shareholders for consideration and approval.

(II) Special statement on the cash dividend policy

Applicable Not Applicable



In compliance with the Company's Articles of Association or the relevant resolutions of general meeting of shareholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Specific and clear dividend standards and ratios	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Complete decision-making procedure and mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Independent directors have faithfully performed their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Non-controlling shareholders are able to fully express their opinion and demand and their legal rights and interests are fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the profit is positive in the reporting period and the profit of the parent company available for distribution to the shareholders is positive but the Company does not represent the plan or proposal for profit distribution in cash, the Company shall disclose in detail the reasons and the purpose and use plan of the undistributed profit

Applicable Not Applicable

(IV) Proposal for profit distribution and for converting capital reserve to share capital for the reporting period

Applicable Not Applicable

Unit: Yuan Currency: CNY

Number of bonus shares per 10 shares (share)	—
Number of dividends per 10 shares (RMB) (taxes included)	0.5
Number of shares converted by capital reserve per 10 shares (share)	—
Amount of cash dividends (including tax)	263,417,675.05
Net profits attributable to common shareholders of the listed company in the annual consolidated statement of dividends	519,978,765
Ratio of net profits attributable to the listed company common shareholders in consolidated statements (%)	50.66
Amount of cash dividends from repurchase of shares	—
Total amount of cash dividends (tax included)	263,417,675.05
Ratio of the total amount of cash dividends to the net profits attributable to common shareholders of the listed company in the consolidated statement (%)	50.66

XI. The Company's equity incentive plan, employee stock ownership plan or other incentives to the employees and their impacts

(I) Related incentives disclosed in provisional announcement, without progress or change in follow-up implementation

Applicable Not Applicable

Summary of events	Query index
On December 26, 2023, the Company held the 30th meeting of the 8th Board of Directors and the 17th meeting of the 8th Board of Supervisors. The meetings reviewed and approved the "Proposal on Reviewing the Long-Term Equity Incentive Plan (Draft) of Shanghai Zhenhua Heavy Industries Co., Ltd. and Its Summary", "Proposal on Reviewing the 2023 Stock Option Incentive Plan (Draft) of Shanghai Zhenhua Heavy Industries Co., Ltd. and Its Summary", "Proposal on Reviewing the Assessment Management Measures for the Implementation of 2023 Stock Option Incentive Plan of Shanghai Zhenhua Heavy Industries Co., Ltd.", "Proposal on Reviewing the Management Measures for the Implementation of 2023 Stock Option Incentive Plan of Shanghai Zhenhua Heavy Industries Co., Ltd." and other related proposals.	See the relevant announcements (Extraordinary Announcement No. 2023-053, 2023-054, 2023-055 and 2023-056) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on December 27, 2023 for details.
According to the "Official Reply to the Implementation of the Stock Option Incentive Plan by Shanghai Zhenhua Heavy Industries Co., Ltd." (GZKF [2024] No. 68) issued by the State-owned Assets Supervision and Administration Commission of the State Council", the State-owned Assets Supervision and Administration Commission of the State Council agreed to the Company's implementation of the stock option incentive plan in principle.	See the relevant announcement (Extraordinary Announcement No. 2024-004) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on March 23, 2024 for details.

Summary of events	Query index
On March 28, 2024, the Company held the 32nd meeting of the 8th Board of Directors and the 18th meeting of the 8th Board of Supervisors. The meetings reviewed and approved the "Proposal on Reviewing the Long-Term Equity Incentive Plan (Revised Draft) of Shanghai Zhenhua Heavy Industries Co., Ltd. and Its Summary".	See the relevant announcements (Extraordinary Announcement No. 2024-006, 2024-007, 2024-011 and 2024-012) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on March 29, 2024 for details.

(II) Incentives not disclosed in provisional announcement or with follow-up progress

Equity incentives

Applicable Not Applicable

Other description

Applicable Not Applicable

Information about employee stock ownership plan

Applicable Not Applicable

Other incentives

Applicable Not Applicable

(III) Equity incentives awarded to the directors and senior executives during the reporting period

Applicable Not Applicable

(IV) Establishment and implementation of the assessment mechanism and incentive mechanism for senior executives during the reporting period

Applicable Not Applicable

The Company appoints the directors, supervisors and senior executives in accordance with the provisions of Company Law and the Articles of Association, has built up a preliminary cultivation, selection, supervision, assessment, reward and punishment, constraint system for the Company's senior executives suitable for the actual situation. The Company formulated corresponding administrative methods for senior executives. According to the production and development need of the Company, the senior executives are appointed, resigned and assessed following the principles of "being from top to bottom integrating the virtue and talent", and are subject to annual appraisal by the Company according to the due diligence and job performance. The Company will gradually improve the existing performance evaluation system and salary system, and promote medium and long-term incentive system for all senior executives and the core technical personnel of the Company, to continue to stimulate the enthusiasm of the senior executives, to create new achievements, and to ensure the benefit maximization and standard operation of the Company.

XII. Development and implementation of internal control systems during the reporting period

Applicable Not Applicable

The Company actively promoted the continuous improvement of internal control management system in five aspects including internal environment, risk management, major control activities, information and communication, and internal supervision and evaluation. In the meanwhile, through internal self-inspection, daily and special supervision, and internal control evaluation, the Company ensured the effective implementation of relevant management requirements, smooth communication of feedback information, and timely rectification of defects.

According to the, the Company integrated the business systems and the management flow into the control requirements of the internal control system, and established the internal control, risk and compliance management systems such as "Management Measures for the Construction and Supervision of the Internal Control System", "Implementation Rules for Internal Control Management Audit", "Regulations on Comprehensive Risk Management", "Regulations on Compliance



Management” and “Regulations on the Management of Significant Business Risk Reporting”, and formulated a power and responsibility manual to make clear the control nodes and approval flow of various operation and management matters, and improved the beforehand, intermediate and afterwards risk control mechanisms and established a strict internal control system.

The Company continuously carried out annual internal control evaluation and internal control audit, and the annual report on internal control evaluation was submitted to the Board of Directors for discussion. In accordance with the Basic Standard for Enterprise Internal Control and its supporting guidelines, the Company, in combination with its own structure and characteristics, comprehensively evaluated the reasonableness and operational effectiveness of the internal control design over the internal environment, risk assessment, control activities, information and communication, internal supervision and other elements of the Company, found out the potential deficiencies or defects at all levels, further strengthened and standardized the construction of the Company's internal control and improved the management quality and the risk prevention capability. Meanwhile, the Company entrusted an external professional audit firm to conduct the internal control audit every year. Through the external audit, according to the requirements on internal control, the risks were effectively identified, evaluated, controlled, monitored and improved to organically integrate risk management, internal control and daily operation activities, and effectively control and prevent various risks to ensure the sustainable and stable development of the Company.

Description of the important deficiencies in internal control during the reporting period

Applicable Not Applicable

XIII. Management and control over the subsidiaries during the reporting period

Applicable Not Applicable

In accordance with the provisions of the Company Law, the Articles of Association and other relevant laws, regulations and rules, the Company continued to strengthen the management and supervision of its subsidiaries on standardized operation, information disclosure, financial capital and operation, and timely track the financial status of subsidiaries and other significant matters to ensure legal compliance of operation and management, assets safety, truthful and complete financial reports and related information, and to further enhance the operation management and risk management capability of the subsidiaries.

XIV. Particulars about the audit report on internal control

Applicable Not Applicable

Ernst & Young Hua Ming LLP, engaged by the Company, had audited the effectiveness of the internal control of the financial statement as of December 31, 2023 and issued a standard internal control audit report with unqualified opinions (see the announcement published on the website of Shanghai Stock Exchange on the same day as this report for details).

Audit report on internal control disclosed or not: Yes

Opinion type of internal control audit report: standard with clean opinion

XV. Remediation of problems identified by self-inspection in the special action on the governance of listed companies

None

XVI. Others

Applicable Not Applicable

Section V Environmental and Social Responsibility

I. Environmental Information

Establishment of environmental protection-related mechanisms	Yes
Funds invested into environmental protection during the Reporting Period (Unit: 10,000 Yuan)	11,856.90

(I) Information about environmental protection of the Company and its subsidiaries as the key pollutant discharge units published by environmental protection department

Applicable Not Applicable

1. Emission information

Applicable Not Applicable

During the reporting period, the total permitted amount of main pollutants in waste gas of the Company and its major subsidiaries: 0.783 tons of sulfur dioxide, 2.399 tons of nitrogen oxides, 63.792 tons of particulate matter, and 328.182 tons of VOCs per year; no permitted emission limit was indicated for some pollutants on the pollutant emission permit of some entities; the actual emissions in 2023 were 8.947 tons of sulfur dioxide, 44.088 tons of nitrogen oxides, 39.701 tons of particulate matter and 194.116 tons of VOCs. Total permitted amount of main pollutants in wastewater: 609.484 tons of COD, 63.506 tons of ammonia nitrogen, 1.468 tons of total phosphorus and 135.557 tons of total nitrogen per year; no permitted emission limit was indicated for some pollutants on the pollutant emission permit of some entities; the actual emissions in 2023 were 291.9 tons of COD, 43.703 tons of ammonia nitrogen, 0.384 tons of total phosphorus and 59.522 tons of total nitrogen. According to the table below, all indicators were in line with the permitted emission limit indicated on the pollutant emission permit.

According to the supervision monitoring by environmental protection department and the self-monitoring of the enterprise, all kinds of pollutants discharged by the Company meet the corresponding emission limits specified in the national "Integrated Emission Standard of Air Pollutants" (GB16297-1996), "Emission Standards for Odor Pollutants" (GB14554-1993), "Standard for Fugitive Emission of Volatile Organic Compounds" (GB37822-2019), "Emission Standard of Cooking Fume" (GB18483-2001), "Integrated Wastewater Discharge Standard" (GB8978-1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015), "Emission Standard for Industrial Enterprises Noise at Boundary" (GB12348-2008), "Emission Standards of Pollutants for Shipbuilding Industry" (DB31/934-2015) of Shanghai City, "Integrated Emission Standard of Air Pollutants" (DB31/933-2015) of Shanghai City, "Emission Standards for Odor Pollutants" (DB3/1025-2016) of Shanghai City, "Emission Standard of Air Pollutants for Boiler" (DB31/387-2018) of Shanghai City, "Emission Standard of Catering Fume" of Shanghai City (DB 31/844-2014), "Integrated Wastewater Discharge Standard" (DB31/199-2018) of Shanghai City, "Integrated Emission Standard of Air Pollutants" (DB32 4041-2021) of Jiangsu Province, "Emission Standard of Air Pollutants for Surface Coating of Engineering Machinery and Steel Structure Manufacturing Industry" (DB32/4147-2021) of Jiangsu Province, "Emission Standard of Air Pollutants for Industrial Surface Coating" (DB32/4439-2022) of Jiangsu Province and "Emission Standard of Air Pollutants for Industrial Furnace and Kiln" (DB32/3728-2020) of Jiangsu Province.

For details of the pollutant emissions of the Company and major subsidiaries, see the table below.



Name of the company or subsidiary	Name of main pollutant and characteristic pollutant	Emission mode	Number of outlets	Distribution of outlets	Emission concentration	Applicable pollutant emission standards	Total emissions in 2023 (ton)	Permitted emissions in 2023 (emission permit) (ton)	Over-standard emissions in 2023
Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch	SO ₂	Organized emission	55 (3 out of service)	Pretreatment, sand washing, coating and canteen	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai City, Emission Standards of Pollutants for Shipbuilding Industry (DB31/934-2015), Emission Standards for Odor Pollutants (DB31/1025-2016), Emission Standard of Cooking Fume (DB31-844-2014), and Standard for Fugitive Emission of Volatile Organic Compounds (GB37822-2019)	0	0.066	None
	NOx					0	1.046	None	
	Particulate matter					12.583	16.1026	None	
	VOCs					151.385	174.047	None	
	COD					221.366	338.59	None	
	Ammonia nitrogen		2	Wastewater outlet		Integrated Wastewater Discharge Standard (DB31/199-2018) of Shanghai City	31.866	37.16	None
	Total nitrogen		52.541	121.79		None			
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	SO ₂	Organized emission	14	Sand washing, coating and canteen	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015), Emission Standards for Odor Pollutants (DB31/1025-2016) and Emission Standard of Air Pollutants for Boiler (DB31/387-2018) of Shanghai City, and Standard for Fugitive Emission of Volatile Organic Compounds (GB37822-2019)	0	0.0183	None
	NOx					0.264	0.5727	None	
	Particulate matter					2.944	15.9682	None	
	VOCs					20.118	58.631	None	
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Particulate matter	Organized emission	9 (2 out of service)	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai City, Emission Standards for Odor Pollutants (DB31/1025-2016), Emission Standard of Cooking Fume (DB31-844-2014), and Standard for Fugitive Emission of Volatile Organic Compounds (GB37822-2019)	2.727	30.14	None
	VOCs					7.98	45.56	None	
	/		1	Domestic sewage outlet		Integrated Wastewater Discharge Standard (DB31/199-2018) of Shanghai City	/	Domestic sewage discharged through pipes is not subject to a permitted discharge amount and is not monitored	/
	Particulate matter		Organized emission	13		Sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), Integrated Emission Standard of Air Pollutants (DB32 4041-2021) and Emission Standard of Air Pollutants for Surface Coating of Engineering Machinery and Steel Structure Manufacturing Industry (DB32/4147-2021) of Jiangsu Province	5.2225
VOCs	4.3763	25.92			None				
COD	2	Wastewater outlet			Integrated Wastewater Discharge Standard (GB8978-1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)			19.3926	139.3640
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Ammonia	Organized emission	1	Wastewater outlet	Meeting relevant standards	Integrated Wastewater Discharge Standard (GB8978-1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	4.3349	17.496	None
	SO ₂					8.87533*	-	None	
	NOx					43.57568*	-	None	
	Particulate matter					13.63264	-	None	
	VOCs					2.47799	16.125	None	
	COD					12.07874	131.5304	None	
	Ammonia					3.89373	8.85	None	
	Total phosphorus					0.38411	1.468	None	
Total nitrogen	6.98094	13.767	None						
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	SO ₂	Organized emission	19	Pretreatment, sand washing, coating, hazardous waste warehouse and canteen	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), Integrated Emission Standard of Air Pollutants (DB32 4041-2021), Emission Standard of Air Pollutants for Surface Coating of Engineering Machinery and Steel Structure Manufacturing Industry (DB32/4147-2021) and Emission Standard of Air Pollutants for Industrial Furnace and Kiln (DB32/3728-2020) of Jiangsu Province, Emission Standards for Odor Pollutants (GB14544-1993), Emission Standard of Cooking Fume (GB18483-2001)	8.87533*	-	None
	NOx					43.57568*	-	None	
	Particulate matter					13.63264	-	None	
	VOCs					2.47799	16.125	None	
	COD					12.07874	131.5304	None	
	Ammonia					3.89373	8.85	None	
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Total phosphorus	Organized emission	1	Wastewater outlet	Meeting relevant standards	Integrated Wastewater Discharge Standard (GB8978-1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.38411	1.468	None
	Total nitrogen					6.98094	13.767	None	
	SO ₂					0.0649	-	None	
	NOx					0.2068	-	None	
	Particulate matter					0.5946	-	None	
	VOCs					4.50	5.3	None	
ZPMC Transmission Machinery (Nantong) Co., Ltd.	COD	Organized emission	1	Domestic sewage outlet	Meeting relevant standards	Integrated Wastewater Discharge Standard (GB8978-1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	Not detected	-	None
	Ammonia					Not detected	-	None	

Name of the company or subsidiary	Name of main pollutant and characteristic pollutant	Emission mode	Number of outlets	Distribution of outlets	Emission concentration	Applicable pollutant emission standards	Total emissions in 2023 (ton)	Permitted emissions in 2023 (emission permit) (ton)	Over-standard emissions in 2023
ZPMC Qidong Marine Engineering Co., Ltd.	SO ₂	Organized emission	10	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), Emission Standards for Odor Pollutants (GB14554-1993), Integrated Emission Standard of Air Pollutants (DB32 4041-2021) of Jiangsu Province, Emission Standard of Air Pollutants for Boiler (GB13271-2014)	0	-	None
	NOx					0	-	None	
	Particulate matter					0.86	-	None	
	VOCs					1.09	-	None	
	COD					7.35	-	None	
	Ammonia	1	Domestic sewage outlet	Integrated Wastewater Discharge Standard (GB8978- 1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.32	-	None		
Shanghai Port Machinery Heavy Industry Co., Ltd.	SO ₂	Organized emission	10	Sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015), Emission Standards for Odor Pollutants (DB31/1025-2016), and Emission Standard of Air Pollutants for Boiler (DB31/387-2018) of Shanghai City	0.00692	0.698270	None
	NOx					0.04111	0.780500	None	
	Particulate matter					1.1376	1.581650	None	
	VOCs					2.1888**	2.59866	None	
	COD					31.713	-	None	
	Ammonia	1	Wastewater outlet	Integrated Wastewater Discharge Standard (DB31/199-2018)	3.288	-	None		

Note: 1. - in the table indicates that no permitted emission limit was initiated for this indicator on the pollutant emission permit of the enterprise.

2. If the total emissions were 0 in the table, it indicates that the pollutant was not detected.

3. *Due to deviations in the detection methods, the sulfur dioxide and nitrogen oxide data of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd. were not detected in the second half of 2023. Therefore, the yearly data for 2023 are the same the data in the first half of the year.

4.**When calculating VOC emissions, Shanghai Port Machinery Heavy Industry Co., Ltd. corrected the calculation error in the first half of 2023. The VOC emissions in the first half of 2023 were calculated based on the daily RTO + total start-up time (14 hours) of zeolite rollers, covering the preheating and standby time (the workshop was actually not operating). When calculating emissions at the end of 2023, the calculation was adjusted according to the actual exhaust gas treatment time. Therefore, the yearly data for 2023 is only slightly higher than the data in the first half of the year.

2. Construction and operation of pollution control facilities

√ Applicable □ Not Applicable

By thoroughly implementing the thoughts of Xi Jinping on ecological civilization, the Company and its subsidiaries, guided by the national laws and regulations on environmental protection and the requirements on the industrial policy, continued to carry out environmental protection compliance improvement activities, improved the environmental protection system incorporating the "Regulations on Ecological and Environmental Protection Responsibility System", guided the employees to give full play to their subjective initiative and strengthened supervision to ensure that the control objectives were compliant and under control. During the reporting period, the Company and its subsidiaries strengthened the comprehensive management of waste gas, waste water, noise and hazardous waste, and various pollution prevention and control facilities functioned normally. In 2023, ZPMC Qidong Marine Engineering Co., Ltd., a subsidiary of the Company completed the renovation of its hazardous waste warehouse, and completed and put into use the paint warehouse project; Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd. upgraded the waste gas treatment facilities of its hazardous waste warehouse from activated carbon + photocatalytic oxidation to filter bag + activated carbon + CO treatment process; the first phase of the technological transformation project for automated painting production line of Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. was accepted in October 2023, and the second phase of the project is expected to be completed and accepted in October 2024.

3. Environmental impact assessment (EIA) of construction project and other administrative licenses for environmental protection

√ Applicable □ Not Applicable

The Company strictly implemented the relevant management regulations of "Three Simultaneities" for environmental protection of national and local construction projects in all new, reconstruction and expansion projects, and had gone through the procedures of environmental impact assessment and completion acceptance for the projects. During the reporting period, some subsidiaries had no new, reconstruction or expansion projects. However, new progress was made in the construction projects of the some entities, as shown in the table below.



Name of the company or subsidiary	Key projects in 2023	EIA approval / acceptance
Shanghai Zhenhua Heavy Industries Co., Ltd.	ZPMC Changxing intelligent port equipment industry project	Obtained the EIA approval
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Paint warehouse reconstruction project of Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Obtained the EIA approval (not yet put into production, and procedures for major changes in the environmental impact assessment report being handled)
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Newly constructed Class A warehouse and self-use diesel supply center supporting project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Acceptance completed
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	Technical improvement project of painting automatic production line	Accepted the first phase of the project was accepted, and the second phase of the project expected to be accepted in October 2024
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Technological transformation project for processing and production of core parts of the lifting system for wind power installation platforms	Environmental impact assessment being publicized

According to the “Regulations on the Administration of Pollutant Emission Permit”, the “Measures for the Administration of Pollutant Emission Permit (Trial)” and other national requirements, the Company and its subsidiaries applied for pollutant emission permits and applied for the change of pollutant emission permits according to the actual discharge changes, and obtained the “Pollutant Emission Permit” issued by local ecological and environmental protection department. In strict accordance with the requirements of emission permit, the Company continued to discharge pollutant as permitted, carried out self-monitoring, established accounts, reported regularly and made information public.

4. Emergency proposal for environmental incidents

√ Applicable □ Not Applicable

In order to prevent the occurrence of sudden environmental pollution incidents and to control and deal with them quickly and effectively after the occurrence, the Company complied with the “Environmental Protection Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, “Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution”, “Measures for the Administration of Recording the Emergency Plan for Emergent Environmental Events of Enterprises and Institutions (Trial)”, “Guidelines for the Compilation of Risk Assessment Report on Environmental Emergencies in Enterprises (Trial)”, and its branches and subsidiaries, based on the assessment of existing environmental risks, prepared their emergency plans, filed them with the local ecological and environmental protection department, and actively carried out emergency drills to further prevent and effectively respond to unexpected environmental pollution incidents.

During the reporting period, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd., a subsidiary of the Company, completed the revision and filing of the emergency plan for unexpected environmental incidents in August 2023; Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch completed the re-filing of the emergency plan filing form in December 2023.

5. Environmental self-monitoring plan

√ Applicable □ Not Applicable

All subordinate units of the Company installed online monitoring equipment for exhaust gas VOCs and wastewater as required and networked them with the ecological and environmental authorities, and carried out regular self-monitoring of environmental protection in accordance with the requirements of the pollutant emission permits and technical guidelines for self-monitoring of pollutant discharging units. All units released self-monitoring information on information disclosure platforms such as National Pollution Source Monitoring Information Management and Sharing Platform, Shanghai Integrated Pollution Source Management Information System, Shanghai Environmental Information

Disclosure Platform for Enterprises and Institutions and Jiangsu Pollutant Discharging Unit Self-monitoring Information Release Platform as required. All branches and subsidiaries of the Company carefully carried out self-monitoring in accordance with national and local requirements, and timely, complete and truthfully released self-monitoring data and related information.

6. Administrative penalties imposed for environmental issues during the reporting period

Applicable Not Applicable

During the reporting period, the Company's pollutant discharging units did not receive any administrative penalties for environmental protection.

7. Other environmental information to be disclosed

Applicable Not Applicable

The Company's subsidiaries, Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd., Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch and Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd., were included in the list of key enterprises subject to mandatory cleaner production audits. Up to now, Changxing Branch completed the acceptance of cleaner production audit at the end of September 2023; Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. passed the evaluation of cleaner production audit in November 2023, the acceptance of which is expected to be completed by the end of November 2024; Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch and Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd. got approved by the Ecology and Environment Bureau of Nantong Economic and Technological Development Zone in 2023 and completed the acceptance of clean production audit.

(II) Environmental protection of companies other than key emission units

Applicable Not Applicable

1. Administrative penalties imposed for environmental issues

Applicable Not Applicable

During the reporting period, the Company's pollutant discharging units did not receive any administrative penalties for environmental protection.

2. Other environmental information disclosed with reference to key emission units

Applicable Not Applicable

The Company's subsidiary ZPMC Zhangjiagang Port Machinery Co., Ltd. completed the waste gas treatment project for hazardous waste warehouse at the end of 2023, where the waste gas from the hazardous waste warehouse was discharged through the exhaust pipe after treatment with activated carbon, and is going through the procedures for the change of its pollution emission permit. ZPMC Zhangjiagang Port Machinery Co., Ltd. had 4 waste gas outlets and 1 wastewater outlet, and the main pollutants were: wastewater (COD, ammonia nitrogen), waste gas (particles, VOCs), solid waste, noise, etc. Discharge method: the wastewater was discharged to the sewage treatment plant through pipes; the atmospheric pollutants such as the particulate matter and VOCs in waste gas were discharged in a well-organized manner after treatment; the solid wastes and hazardous wastes were handed over to the qualified entities for treatment; plant boundary noise was discharged up to the standard. During the reporting period, ZPMC Zhangjiagang Port Machinery Co., Ltd. discharged 1.671 tons of particulate matter and 4.235 tons of VOCs.

3. Reasons for not disclosing other environmental information

Applicable Not Applicable



(III) Information that is conducive to ecological protection, pollution prevention and environmental responsibility performance

Applicable Not Applicable

In 2023, the Company actively fulfilled its social responsibilities and was committed to promoting sustainable development, and released the “2022 Environmental, Social and Corporate Governance (ESG) Report”, which fully elaborated on the its remarkable results in environmental protection, social responsibilities and corporate governance in the past year, and actively responded to the expectations and demands of various stakeholders.

(IV) Measures taken to reduce carbon emissions during the reporting period and their effects

Carbon reduction measures taken or not	Yes
Carbon dioxide equivalent emissions reduced (in tons)	2,263
Types of carbon reduction measures (e.g., using clean energy, for power generation, using carbon reduction technologies in the production process, developing and producing new products that contribute to carbon reduction, etc.)	Using clean energy for power generation, using carbon reduction technologies in the production process

Specific description

Applicable Not Applicable

Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch installed and constructed a centralized control system for the air compression station at Pier No. 1, which can collect the operating data such as the power consumption and gas production of each air compressor in real time. The start-stop priority level can be set through the joint control program based on the on-site gas consumption, allowing the machines with high loading efficiency to run more. At the same time, an unloading standby time limit can be set; the program is set to shut down and cut off the power as long as the air compressor unloading time reaches 180s, which minimizes the unloading time and saves energy consumption. The energy consumption per unit of gas production has dropped by about 30%, resulting in annual saving of 410 tons of standard coal, equivalent to a reduction of 1,066 tons of carbon dioxide emissions.

The 6MW PV project of ZPMC Qidong Marine Engineering Co., Ltd. passed the inspection of the State Grid’s acceptance expert team in August 2023 and was successfully connected to the grid for power generation. The total installed capacity of the PV system in the project is 6 MW. As of December 2023, the cumulative power generation was approximately 2.1 million kWh, saving approximately 599 tons of standard coal and reducing carbon dioxide emissions by 1,197 tons, showing good social, environmental and economic benefits.

II. Fulfillment of social responsibility

(I) Separate disclosure of social responsibility report, sustainability report or ESG report

Applicable Not Applicable

For detailed report, please refer to the “2023 Environmental, Social, and Corporate Governance (ESG) Report of Shanghai Zhenhua Heavy Industries Co., Ltd.” disclosed on the same day as this report.

(II) Particulars about social responsibility work

Applicable Not Applicable

External donations and public welfare programs	Amount/content	Description
Total investment ('0,000 Yuan)	84.5064	Directly provide free donations for financial support to targeted assistance areas.
Including: fund ('0,000 Yuan)	84.5064	
Amount equivalent to goods and materials ('0,000 Yuan)		

External donations and public welfare programs	Amount/content	Description
Number of people benefited (person)	10,681	This figure is obtained based on direct beneficiaries of all donations, including education assistance (schools), revitalization through organizations (communities), employment assistance (labor transfer) and talent training, and is an estimated figure. The number of people benefiting from projects such as consumption assistance and "aiding Xinjiang with work clothes" cannot be directly counted.

Specific description

√ Applicable □ Not Applicable

In 2023, ZPMC earnestly further promoted its social responsibility work and fully achieved its responsibility goals through reasonable arrangement and effectively implementation. The Company invested a total of RMB 845,064 in external donations and public welfare programs to consolidate and expand the results of poverty alleviation in targeted assistance areas and continuously promote rural revitalization. ZPMC, in response to the group's overall planning, invested RMB 300,000 to help build a new teaching complex for Shangpa Middle School in Fugong County; invested RMB 200,000 to increase the principal of the Special Education Development Fund in Lanping County; donated RMB 43,700 to Shideng Township Middle School to purchase water purifiers to solve students' difficulty in getting drinking water difficulties; donated RMB 110,000 to Shigudian Kindergarten in Yongxing Community to purchase indoor full-color LED display screens to improve the office conditions of relocated kindergartens; invested RMB 126,300 in talent training for the Organization Department of the Lanping County Party Committee; invested RMB 20,000 to improve the Party building capabilities of Yong'an Community; and donated RMB 45,064 to assist in the purchase of materials.

In 2023, the "Blue Vest" Youth Volunteer Service Team of the Company's Youth League Committee held a "Learning from Lei Feng" Charity Sale Campaign with the theme of "Expressing Thanks, Aiding Students in Learning and Dream Pursuit". More than 200 pieces of supplies were received from the Company's second-level youth league organizations in the campaign, including books, children's picture books, stationery, office and living necessities and toys. A total of RMB 13,310 was raised through the Charity Sale Campaign, which was donated to the "ZPMC Fund for Aid to Learning and Dream Pursuit" to build a "Love Library" in a poverty-stricken primary school in Tu'e Township, Lanping County, Nuijiang City, Yunnan Province.

III. Specific work on consolidating and expanding the progress in poverty alleviation and rural revitalization

√ Applicable □ Not Applicable

Item of poverty alleviation and rural revitalization	Amount/content	Description
Total investment ('0,000 Yuan)	182.6725	Include direct investment into gratuitous assistance funds, introduction of assistance funds, purchase and sale of agricultural products and ordering of work clothes from targeted assistance areas, etc.
Including: fund ('0,000 Yuan)	84.5064	Directly provide financial support to targeted assistance areas.
Amount equivalent to goods and materials ('0,000 Yuan)	98.1661	Include purchase and sale of agricultural products in targeted assistance areas, ordering of work clothes and donations from charity sales.
Number of people benefited (person)	10,681	This figure is obtained based on direct beneficiaries of all donations, including education assistance (schools), revitalization through organizations (communities), employment assistance (labor transfer) and talent training, and is an estimated figure. The number of people benefiting from projects such as consumption assistance and "aiding Xinjiang with work clothes" cannot be directly counted.
Forms of assistance (such as development of local industry, creating job opportunities, improving education)	Investigation and guidance, capital investment, talents and employment support, boosting the consumption of products from poor areas, Party building pairing	The Company conducted on-site survey, held special work meetings on targeted assistance, invested funds, helped create job opportunities, trained grassroots cadres and rural revitalization leaders, paried with the Yong'an Community Party Committee, purchased and sold agricultural products and customized work clothes from targeted assistance areas, etc.



Specific description

Applicable Not Applicable

In 2023, the Company fully implemented the decisions and arrangements of the Party Central Committee on consolidating the results of poverty alleviation and continuing to promote rural revitalization, and effectively put in place the annual work arrangements for targeted assistance. The Company offered targeted assistance to Lanping County, Yunnan Province, and advanced assistance work such as “education improvement”, “revitalization through talents development”, “revitalization through organizations” and “industry revitalization”. On September 18, 2023, the Company visited Lanping County, Nujiang Prefecture, Yunnan Province to investigate the targeted assistance work. On September 19, 2023, the Company visited Yongxing Community and Yong’an Community in Lanping County for investigation. Furthermore, the Company trained 10 grassroots cadres for Lanping County and 1 rural revitalization leader. Changxing Branch of the Company helped created 215 jobs in the assistance areas throughout the year, who achieved stable employment in various positions.

Section VI Important Events

I. Fulfillment of commitments

(I) Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company during the reporting period or ongoing at the period-end

√ Applicable □ Not Applicable

Commitment background	Commitment Type	Commitment party	Commitment Content	Commitment time	Is there any time limit for commitment performance	Commitment term	It the commitment completed in time	Describe specific reasons for failure of commitment performance	Describe further plans in case of failure of commitment performance
Commitments related to refinancing	Others	Company directors and senior executives	Commitments on ensuring effective implementation of the measures to compensate for diluted immediate return after the Company's issuance of A shares to specific targets: 1. I undertake that I will not transfer benefits to other units or individuals at nil consideration or on unfair terms, and will not harm the Company's interests in any other manner; 2. I undertake that I will act to restrain own duty-related spending; 3. I undertake that I will not utilize the assets of the Company for any investment or consumption irrelevant with the performance of my duties; 4. I undertake that I will procure the remuneration system developed by the Board of Directors or the Remuneration Committee to be linked with the implementation of the measures of the Company to compensate for returns within the scope of my own duties and authorities; 5. If the Company is to adopt an equity incentive plan in the future, I undertake that I will use my best efforts to procure the exercise conditions for the equity incentive plan to be linked with the implementation of the measures of the Company to compensate for returns within the scope of my own duties and authorities; 6. From the date when the commitment is made to the completion of the Company's issuance of A shares to specific targets, I undertake that supplementary undertakings will be given in accordance with new regulations announced by the CSRC and SSE concerning measures to compensate for returns and related undertakings in due course, if such regulations are announced by the CSRC and SSE and the foregoing undertakings cannot comply with such regulations. 7. I undertake that I will earnestly implement the measures of the Company concerning compensation for returns and my commitments thereon, and if any loss is incurred to the Company or investors due to my violation of such commitment, I am willing to be liable for compensation to the Company or investors in accordance with the law.	May 25, 2023	No	Long-term effective	Yes	N/A	N/A
Commitments related to refinancing	Others	Controlling shareholder: China Communications Construction Group Co., Ltd.	1. We will not act beyond our powers to interfere with the Company's operating and management activities or infringe upon the interests of listed companies in strict accordance with relevant laws and regulations and the provisions of the CSRC and SSE; 2. From the date when the commitment is made to the completion of the issuance of A shares to specific targets, we undertake that supplementary undertakings will be given in accordance with new regulations announced by the CSRC and SSE concerning measures to compensate for returns and related undertakings in due course, if such regulations are announced by the CSRC and SSE and the foregoing undertakings cannot comply with such regulations. 3. We undertake that we will earnestly implement the measures of the Company concerning compensation for returns and my commitments thereon, and if any loss is incurred to the Company or investors due to my violation of such commitment, we are willing to be liable for compensation to the Company or investors in accordance with the law.	May 25, 2023	No	Long-term effective	Yes	N/A	N/A



Commitment background	Commitment Type	Commitment party	Commitment Content	Commitment time	Is there any time limit for commitment performance	Commitment term	It the commitment completed in time	Describe specific reasons for failure of commitment performance	Describe further plans in case of failure of commitment performance
Commitments related to equity incentives	Others	Company	No loans, loan guarantees or any other form of financial support will be provided to the incentive objects for the exercise of stock options granted under this incentive plan.	December 26, 2023	Yes	Termination date of incentive plan	Yes	N/A	N/A
	Others	Incentive object	If the Company has false records, misleading statements or major omissions in the information disclosure documents, resulting in non-compliance with the grant of equity or the exercise of equity arrangements, the incentive objects shall return all the benefits obtained from this incentive plan to the Company after false records, misleading statements or major omissions in the information disclosure documents are confirmed.	December 26, 2023	Yes	Termination date of incentive plan	Yes	N/A	N/A

(II) If there is earnings forecast for the assets or projects of the Company and the reporting period is still in the earnings forecast period, the Company shall explain whether the asset or project reaches the original earnings forecast and give the reasons

Reached Not reached Not applicable

(III) Fulfillment of commitments on the performance and its impacts on goodwill impairment test

Applicable Not Applicable

II. Non-operating funds occupied by the holding shareholder and other related parties during the reporting period

Applicable Not Applicable

III. Irregularities in the provision of guarantees

Applicable Not Applicable

IV. Explanation of the board of directors for Accounting Firm's "auditors' report with nonstandard opinions"

Applicable Not Applicable

V. Analysis and explanation of the Company of the causes and the impacts of the major changes in accounting policies and accounting estimates or correction of significant accounting errors

(I) Analysis and explanation of the Company on the causes and the impacts of the changes in accounting policies and accounting estimates

Applicable Not Applicable

(II) Analysis and explanation of the cause of correction of significant accounting errors and their impacts by the Company

Applicable Not Applicable

(III) Communication with former CPA firm

Applicable Not Applicable

(IV) Approval procedures and other explanations

Applicable Not Applicable

VI. Engagement and dismissal of the public accounting firm

Unit: Yuan Currency: CNY

	Now engaging
Name of the domestic accounting firm	Ernst & Young Hua Ming LLP
Remuneration of the domestic accounting firm	4,850,000
Audit term of the domestic accounting firm	8
Name of Certified Public Accountant of the domestic accounting firm	Gao Chong, Gu Chengli
Cumulative years of audit services provided by CPAs of the domestic accounting firm	2, 5

	Name	Remuneration
Accounting firm performing internal control audit	Ernst & Young Hua Ming LLP	450,000

Particulars about the engagement and dismissal of the accounting firm

Applicable Not Applicable

At the 18th meeting of the 8th Board of Directors held on March 30, 2023 and the 2022 Annual General Meeting of Shareholders held on June 28, 2023, the Company reviewed and approved the "Proposal on the Engagement of Domestic Audit Accounting Firm for the Year 2023" and agreed to renew the engagement of Ernst & Young Hua Ming LLP as the domestic auditing firm of the Company for the year 2023.

Particulars about reappointment of the accounting firm in the auditing period

Applicable Not Applicable

Explanation of audit fees decreased by 20% or more compared with the previous year

Applicable Not Applicable

VII. Delisting risk

(I) Reasons for the delisting risk warning

Applicable Not Applicable

(II) Countermeasures to be taken by the Company

Applicable Not Applicable

(III) Termination of the listing and its reasons

Applicable Not Applicable

VIII. Events related to bankruptcy and reorganization

Applicable Not Applicable

IX. Major lawsuit and arbitration issues

The Company has material litigation and arbitration matters in the current year.

The Company has no material litigation or arbitration matters in the current year.



(I) Lawsuit and arbitration already disclosed in provisional announcement, without follow-up progress

Applicable Not Applicable

(II) Lawsuit and arbitration not disclosed in provisional announcement, or with follow-up progress

Applicable Not Applicable

Unit: '0,000 Yuan Currency: CNY

In the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Party bearing joint liabilities	Type of lawsuit and arbitration	Background of the lawsuit (arbitration)	Amount involved in lawsuit (arbitration)	Estimated liabilities and amount caused by lawsuit (arbitration) or not	Progress in lawsuit (arbitration)	Results of the lawsuit (arbitration) and impacts	Execution of adjudication of lawsuit (arbitration)
Shanghai Zhenhua Heavy Industries Co., Ltd, and ZPMC Qidong Marine Engineering Co., Ltd.	Nantong Huafu Port Co., Ltd, Li Aidong, and Zhao Xiaohua	None	Lawsuit	At the end of February 2014, the Company completed the acquisition of the former Jiangsu Daoda Ocean Engineering Co., Ltd through capital increase and held 67% of the shares. At the same time, it was agreed that the losses of the company, was borne by the former shareholders including Nantong Huafu Port Co., Ltd, Li Aidong and Zhao Xiaohua before February 28, 2014. During the subsequent business process, it was found that the former Daoda Company untruthfully disclosed some matters of lawsuit or debts, resulting in a series of losses of the Company. Through the related audit and readjustment etc., it was deemed that the loss of RMB 368.7221 million Yuan should be in borne in the former shareholders and the lawsuit was prosecuted again after an inconclusive press for payment.	36,872.21	0	On March 29, 2022, the Supreme People's Court issued a final judgment on the case.	The first item of the first judgment of the Shanghai High People's Court was affirmed; the second to fifth items of the first judgment were reversed; the three defendants were ordered to pay the total costs and damages of RMB 27,434,000 and the corresponding overdue interest to ZPMC Qidong Marine Engineering Co., Ltd.; the first trial verdict that the respondents should compensate Shanghai Zhenhua Heavy Industries Co., Ltd of RMB 1 million for the breach of contract was affirmed.	The implementation is being advanced.

(III) Other description

Applicable Not Applicable

X. Punishments on the Company as well as its directors, supervisors, senior executives, controlling shareholder and actual controller for violation of laws or regulations, as well as the relevant rectifications

Applicable Not Applicable

XI. Particulars about the credit standings of the Company and its controlling shareholder and the actual controller during the reporting period

Applicable Not Applicable

XII. Material related transactions

(I) Related transactions relevant to routine business

1. Events disclosed in provisional announcement, without progress or changes in follow-up implementation

□ Applicable √ Not Applicable

2. Events disclosed in the provisional announcement, with progress or changes in follow-up implementation

√ Applicable □ Not Applicable

At the 9th meeting of the 8th Board of Directors of the Company held on April 13, 2022 and the 2021 Annual General Meeting of Shareholders held on June 27, 2022, the Company reviewed and approved the “Proposal on Reviewing the Signing of Framework Agreement on Routine Related Transactions for 2022-2024”, which had been announced and was detailed in Extraordinary Announcement No. 2022-004, 2022-008, 2022-017 and 2023-008.

Unit: Yuan Currency: CNY

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason or great differences between the bargain price and market price
CCCC Haifeng Wind Power Development Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	1,140,744,581	1,140,744,581	3.46	Monetary funds	1,140,744,581	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	307,346,561	307,346,561	0.93	Monetary funds	307,346,561	/
CCCC International (Hong Kong) Holdings Limited	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	541,656,238	541,656,238	1.64	Monetary funds	541,656,238	/
China Harbour Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	368,658,012	368,658,012	1.12	Monetary funds	368,658,012	/
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	267,238,142	267,238,142	0.81	Monetary funds	267,238,142	/
Road & Bridge International Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	201,584,250	201,584,250	0.61	Monetary funds	201,584,250	/
CCCC Second Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	238,838,013	238,838,013	0.73	Monetary funds	238,838,013	/
China Road & Bridge Corporation	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	84,833,201	84,833,201	0.26	Monetary funds	84,833,201	/
CCCC Second Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	65,503,346	65,503,346	0.20	Monetary funds	65,503,346	/
CCCC Tianjin Dredging Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	58,364,520	58,364,520	0.18	Monetary funds	58,364,520	/
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	50,915,826	50,915,826	0.15	Monetary funds	50,915,826	/
CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	44,364,127	44,364,127	0.13	Monetary funds	44,364,127	/
CCCC Third Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	36,902,683	36,902,683	0.11	Monetary funds	36,902,683	/
CCCC-SHEC First Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	15,698,029	15,698,029	0.05	Monetary funds	15,698,029	/



Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason or great differences between the bargain price and market price
CCCC Fourth Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	14,761,062	14,761,062	0.04	Monetary funds	14,761,062	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	12,501,272	12,501,272	0.04	Monetary funds	12,501,272	/
CCCC Electrical and Mechanical Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	10,606,881	10,606,881	0.03	Monetary funds	10,606,881	/
Sichuan Road & Bridge Group Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	4,864,250	4,864,250	0.01	Monetary funds	4,864,250	/
Friede & Goldman, Llc.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	2,688,794	2,688,794	0.01	Monetary funds	2,688,794	/
Chongqing Zhongwan Expressway Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	1,995,329	1,995,329	0.01	Monetary funds	1,995,329	/
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	1,698,113	1,698,113	0.01	Monetary funds	1,698,113	/
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	1,388,404	1,388,404	0.00	Monetary funds	1,388,404	/
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	1,141,435	1,141,435	0.00	Monetary funds	1,141,435	/
CCCC Third Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	695,283	695,283	0.00	Monetary funds	695,283	/
China Communications Construction Company Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	566,038	566,038	0.00	Monetary funds	566,038	/
CCCC Shanghai Dredging Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	499,115	499,115	0.00	Monetary funds	499,115	/
First Highway Engineering Group Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	322,161	322,161	0.00	Monetary funds	322,161	/
CCCC First Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	75,472	75,472	0.00	Monetary funds	75,472	/
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHCC of CCCC	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	29,361	29,361	0.00	Monetary funds	29,361	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	171,946,593	171,946,593	0.52	Monetary funds	171,946,593	/
Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	32,556,696	32,556,696	0.10	Monetary funds	32,556,696	/
China Communications Construction Company (M) Sdn. Bhd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	20,833,485	20,833,485	0.06	Monetary funds	20,833,485	/
Road & Bridge International Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	16,972,477	16,972,477	0.05	Monetary funds	16,972,477	/

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason or great differences between the bargain price and market price
Zhejiang Lvzhou Photovoltaic Technology Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	9,234,970	9,234,970	0.03	Monetary funds	9,234,970	/
China Communications Construction Company Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	6,321,921	6,321,921	0.02	Monetary funds	6,321,921	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	919,995	919,995	0.00	Monetary funds	919,995	/
CCCC Financial Leasing Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	691,835	691,835	0.00	Monetary funds	691,835	/
CCCC Shanghai Dredging Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	48,660	48,660	0.00	Monetary funds	48,660	/
CCCC (Xiamen) Information Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	18,247	18,247	0.00	Monetary funds	18,247	/
CCCC Photovoltaic Technology Co., Ltd.	Associated company	Rendering of service	Project income/ lease of assets	Pricing based on market price	128,742	128,742	0.00	Monetary funds	128,742	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	752,922,950	752,922,950	0.03	Monetary funds	752,922,950	/
CCCC Third Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	687,713,755	687,713,755	0.02	Monetary funds	687,713,755	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	371,129,367	371,129,367	0.01	Monetary funds	371,129,367	/
CCCC Second Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	222,904,254	222,904,254	0.01	Monetary funds	222,904,254	/
CCCC Dredging (Group) Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	158,493,251	158,493,251	0.01	Monetary funds	158,493,251	/
CCCC First Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	149,740,693	149,740,693	0.01	Monetary funds	149,740,693	/
CCCC Tianjin Dredging Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	109,387,957	109,387,957	0.00	Monetary funds	109,387,957	/
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	66,133,834	66,133,834	0.00	Monetary funds	66,133,834	/
Road & Bridge East China Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	14,183,526	14,183,526	0.00	Monetary funds	14,183,526	/
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	14,017,842	14,017,842	0.00	Monetary funds	14,017,842	/
Road & Bridge International Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	11,689,044	11,689,044	0.00	Monetary funds	11,689,044	/
CCCC Shanghai Dredging Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	11,588,582	11,588,582	0.00	Monetary funds	11,588,582	/
First Highway Engineering Group Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	8,304,464	8,304,464	0.00	Monetary funds	8,304,464	/



Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason or great differences between the bargain price and market price
CCCC Second Highway Consultants Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	2,664,128	2,664,128	0.00	Monetary funds	2,664,128	/
CCCCG	Holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,517,333	1,517,333	0.00	Monetary funds	1,517,333	/
CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,326,200	1,326,200	0.00	Monetary funds	1,326,200	/
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,026,549	1,026,549	0.00	Monetary funds	1,026,549	/
CCCC Urban Operation Management Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	712,686	712,686	0.00	Monetary funds	712,686	/
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	471,698	471,698	0.00	Monetary funds	471,698	/
CCCC Third Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,051,663	1,051,663	0.00	Monetary funds	1,051,663	/
CCCC Xingyu Technology Co., Ltd	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	230,796	230,796	0.00	Monetary funds	230,796	/
CCCC Design Consulting Group Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	227,920	227,920	0.00	Monetary funds	227,920	/
China Road & Bridge Corporation	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	154,325	154,325	0.00	Monetary funds	154,325	/
China Communications Information Technology Group Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	112,655	112,655	0.00	Monetary funds	112,655	/
China Communications Materials Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	75,472	75,472	0.00	Monetary funds	75,472	/
Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	38,666	38,666	0.00	Monetary funds	38,666	/
Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	12,637,168	12,637,168	0.00	Monetary funds	12,637,168	/
CCCC Photovoltaic Technology Co., Ltd.	Associated company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,599,475	1,599,475	0.00	Monetary funds	1,599,475	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	300,511,230	300,511,230	0.01	Monetary funds	300,511,230	/
CCCC Tianjin Industry and Trade Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	234,024,336	234,024,336	0.01	Monetary funds	234,024,336	/
CNPC & CCCC Petroleum Sales Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	80,031,231	80,031,231	0.00	Monetary funds	80,031,231	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	33,092,078	33,092,078	0.00	Monetary funds	33,092,078	/

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason or great differences between the bargain price and market price
China Communications Information Technology Group Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	27,915,300	27,915,300	0.00	Monetary funds	27,915,300	/
Chuwa Risheng (Beijing) International Trade Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	15,807,655	15,807,655	0.00	Monetary funds	15,807,655	/
CCCC (Xiamen) Information Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	12,959,416	12,959,416	0.00	Monetary funds	12,959,416	/
Shanghai Zhensha Longfu Machinery Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	9,824,711	9,824,711	0.00	Monetary funds	9,824,711	/
CCCC Fourth Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	8,093,363	8,093,363	0.00	Monetary funds	8,093,363	/
CCCC Third Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	4,469,027	4,469,027	0.00	Monetary funds	4,469,027	/
CCCC Urban Operation Management Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	3,966,707	3,966,707	0.00	Monetary funds	3,966,707	/
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	1,769,912	1,769,912	0.00	Monetary funds	1,769,912	/
Chuwa Bussan Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	251,127	251,127	0.00	Monetary funds	251,127	/
CCCC Xingyu Technology Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	233,588	233,588	0.00	Monetary funds	233,588	/
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	30,973	30,973	0.00	Monetary funds	30,973	/
CCCC Photovoltaic Technology Co., Ltd.	Associated company	Purchase of goods	Providing materials for the Company	Pricing based on market price	553,577	553,577	0.00	Monetary funds	553,577	/
Total				/	/	7,071,744,604		/	/	/
Details of large amount of sales returns					None					
Explanation for related transactions					The Company reviewed and approved the "Proposal on Reviewing the Signing of Framework Agreement on Routine Related Transactions for 2022-2024" at the 2021 Annual General Meeting of Shareholders. In 2023, the amount of the annual related transactions in the normal business between the Company and its subsidiaries and CCGG and its subsidiaries was about RMB 7.071 billion, which did not exceed the upper limit of the amount of routine related transactions approved by the 2021 Annual General Meeting of Shareholders and the expected upper limit of the amount of routine related transactions in 2023.					

3. Events not disclosed in provisional announcements

Applicable Not Applicable

(II) Related transactions arising from acquisition or offering of assets or stock equity

1. Events disclosed in provisional announcement, without progress or changes in follow-up implementation

Applicable Not Applicable

2. Events disclosed in the provisional announcement, with progress or changes in follow-up implementation

Applicable Not Applicable



3. Events not disclosed in provisional announcements

Applicable Not Applicable

4. Where agreed performance is involved, the performance achievement during the reporting period should be disclosed

Applicable Not Applicable

(III) Material related transactions with joint external investments

1. Events disclosed in provisional announcement, without progress or changes in follow-up implementation

Applicable Not Applicable

Summary of events	Query index
On August 28, 2023, the Company held the 24th meeting of the 8th Board of Directors and the 15th meeting of the 8th Board of Supervisors. The meetings reviewed and approved the "Proposal on Reviewing the Waiver of the Preemptive Right for the Capital Increase of the Joint-Stock Company CCCC Leasing and Related Transactions", agreeing to the capital increase plan of CCCC Financial Leasing Co., Ltd. (hereinafter referred to as "CCCC Leasing"). Zhenhua Heavy Industries increased the registered capital by RMB 10.6493 million in the same proportion of surplus reserves, and waived the preemptive right for the cash capital increase of CCCC Leasing. After the completion of this capital increase, the Company's equity ratio in CCCC Leasing will drop from 9.00% to 5.82%, corresponding to a capital contribution of approximately RMB 524 million.	See Extraordinary Announcement No. 2023-037 for details

2. Events disclosed in the provisional announcement, with progress or changes in follow-up implementation

Applicable Not Applicable

3. Events not disclosed in provisional announcements

Applicable Not Applicable

(IV) Current associated rights of credit and liabilities

1. Events disclosed in provisional announcement, without progress or changes in follow-up implementation

Applicable Not Applicable

2. Events disclosed in the provisional announcement, with progress or changes in follow-up implementation

Applicable Not Applicable

3. Events not disclosed in provisional announcements

Applicable Not Applicable

(V) Financial business between the Company and related finance companies, or between finance companies under the Company's control and related parties

Applicable Not Applicable

1. Deposit business

Applicable Not Applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Maximum daily deposit limit	Deposit interest rate range	December 31, 2022	Amount incurred in the current period		December 31, 2023
					Total deposit amount in the current period	Total withdrawal amount in the current period	
CCCC Finance Company Ltd.	Subsidiary of the holding parent company	1,600,000,000	0.46%-1.76%	435,568	20,894,262,022	19,294,697,590	1,600,000,000
Total	/	/	/	435,568	20,894,262,022	19,294,697,590	1,600,000,000

2. Loan business

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Loan limit	Loan interest rate range	December 31, 2022	Amount incurred in the current period		December 31, 2023
					Total loan amount in the current period	Total repayment amount in the current period	
CCCC Finance Company Ltd.	Subsidiary of the holding parent company	2,000,000,000	2%	644,000,000	48,840,000	0	692,840,000
Total	/	/	/	644,000,000	48,840,000	0	692,840,000

3. Credit business or other financial business

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Business type	Total amount	Actual amount incurred
CCCC Finance Company Ltd.	Subsidiary of the holding parent company	Credit	2,000,000,000	542,527
CCCC Xiongan Financial Leasing Co., Ltd.	Subsidiary of the holding parent company	Factoring	300,000,000	158,922,791

4. Other description

 Applicable Not Applicable

(VI) Others

 Applicable Not Applicable**XIII. Material contracts and their performance**

(I) Trusteeship, contracting and leasing matters

1. Trusteeship

 Applicable Not Applicable

2. Contracting

 Applicable Not Applicable

3. Leasing

√ Applicable Not Applicable



Unit: '0,000 Yuan Currency: CNY

Name of lessor	Name of lessee	Leased assets	Amount involved in leased assets	Starting date of leasing	Termination date of leasing	Income from leasing	Basis for determining income from leasing	Impacts of income from leasing on the Company	Related transaction or not	Relationship
Shanghai Zhenhua Heavy Industries Co., Ltd.	Shanghai Zhenlong Asset Management Co., Ltd.	Lease of houses	20,659.29	August 10, 2012	July 9, 2025	4,763.81	Agreed	4,763.81	No	
Shanghai Zhenhua Heavy Industries Co., Ltd.	Shanghai Changyin Real Estate Development Co., Ltd.	Lease of houses	20,659.29	March 1, 2021	February 29, 2024	3,770.00	Agreed	3,770.00	No	
Shanghai Zhenhua Heavy Industries Co., Ltd.	Shanghai Changyi Industrial Co., Ltd	Lease of houses	1,249.77	August 15, 2021	August 14, 2031	1,575.08	Agreed	1,575.08	No	

Leasing explanation

None

(II) Guarantee

Applicable Not Applicable

Unit: Yuan Currency: CNY

External guarantee of the Company (excluding guarantee to the subsidiaries)														
Guarantor	Relation between the guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee (signing date of agreement)	Starting date of guarantee	Due date of guarantee	Type of guarantee	Collateral (if any)	Fulfillment of the guarantee or not	Overdue or not	Amount of overdue guarantee	Counter guarantee or not	Guarantee by the related party or not	Relationship
Total amount of guarantee incurred during the reporting period (excluding guarantee to the subsidiaries)														
Total balance of guarantee at the end of the reporting period (A) (excluding guarantee to the subsidiaries)														
Guarantee of the Company and its subsidiaries to the subsidiaries														
Total amount of guarantee to the subsidiaries incurred during the reporting period														444,369,500
Total balance of guarantee to the subsidiaries at the end of the reporting period (B)														314,809,500
Total amount of guarantee of the Company (including guarantee to the subsidiaries)														
Total amount of guarantee (A+B)														314,809,500
Proportion of total amount of guarantee in the net assets of the Company (%)														2.00
Including:														
Amount of guarantee to the shareholders, the actual controller and related parties (C)														
Amount of debt guarantee directly or indirectly provided to the guaranteed party with the asset-liability ratio over 70% (D)														281,641,737
Amount of guarantee exceeding 50% of net assets (E)														
Total guarantee amount of the above three items (C+D+E)														281,641,737
Explanation for the joint and several repayment liabilities for the undue guarantee														

External guarantee of the Company (excluding guarantee to the subsidiaries)														
Guarantor	Relation between the guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee (signing date of agreement)	Starting date of guarantee	Due date of guarantee	Type of guarantee	Collateral (if any)	Fulfillment of the guarantee or not	Overdue or not	Amount of overdue guarantee	Counter guarantee or not	Guarantee by the related party or not	Relationship
	Description of guarantee													<p>The Company's 29th meeting of the 8th Board of Directors held on December 6, 2023 reviewed and approved the "Proposal on Reviewing the Provision of Guarantees for Korean Subsidiaries", agreeing that the Company would provide guarantee support for Shanghai Zhenhua Korea Corporation (hereinafter referred to as the "Korean subsidiary"), with a guarantee period of 3 years and an upper limit of US\$ 15 million. This matter does not need to be submitted to the Company's general meeting of shareholders for review. As of December 31, 2023, the Company provided guarantees of US\$ 6.17 million for the Korean subsidiary, equivalent to RMB 33,167,763.</p> <p>The company's 2022 Annual General Meeting of Shareholders reviewed and approved the "Proposal on the Company's 2023 External Guarantee Plan", agreeing that the Company would provide guarantee support for Shanghai Zhenhua Heavy Industries Co., Ltd. Netherlands LLC (hereinafter referred to as the "Dutch subsidiary") and that Zhenhua Heavy and Large Cargo Shipping (Hong Kong) Co., Ltd. (hereinafter referred to as the "GPO Company"), the Company's 50%-controlled subsidiary, would provide guarantee support for its wholly-owned subsidiaries. Among them: the guarantee period for the Dutch subsidiary is 3 years, with an upper limit of 11 million euros (equivalent to RMB 81.6519 million); the guarantee period for GPO Company to its subsidiaries is 3 years, with an upper limit of US\$ 200 million (equivalent to RMB 1.393 billion). As of December 31, 2023, the Company provided a guarantee of 850,000 euros, equivalent to RMB 6,691,323, to the Dutch subsidiary. GPO Company provided a guarantee of US\$ 77.64 million, equivalent to RMB 549,900,828.00, to its four wholly-owned subsidiaries, with the proportionate disclosed guarantee equivalent to RMB 274,950,414.00.</p> <p>The Company's 2020 Annual General Meeting of Shareholders reviewed and approved the "Proposal on Providing Guarantees for Subsidiaries", agreeing that the company would provide guarantee support for ZPMC Machinery Equipment Services Co., Ltd. (hereinafter referred to as "ZPMC Machinery Equipment") and Terminexus Co., Ltd. (hereinafter referred to as "Terminexus"), with a guarantee period of 3 years and an upper limit of RMB 400 million (RMB 300 million for ZPMC Machinery Equipment; RMB 100 million for Terminexus). As of December 31, 2023, the Company's guarantees for ZPMC Machinery Equipment and Terminexus have been fully settled.</p>

(III) Consigned cash assets management

1. Consigned financing

(1). General information of consigned financing

Applicable Not Applicable

Other information

Applicable Not Applicable

(2). Information on individual consigned financing

Applicable Not Applicable

Other information

Applicable Not Applicable

(3). Provision for impairment of consigned financing

Applicable Not Applicable

2. Consigned loans

(1). General information of consigned loans

Applicable Not Applicable

Other information

Applicable Not Applicable

(2). Individual consigned loans

Applicable Not Applicable



Other information

Applicable Not Applicable

(3). Provision for impairment of consigned loans

Applicable Not Applicable

3. Other information

Applicable Not Applicable

(IV) Other material contracts

Applicable Not Applicable

XIV. Progress statement on the utilization of raised funds

Applicable Not Applicable

XV. Other significant events for investors' judgment of value and investment decision-making

Applicable Not Applicable

The Company's 25th meeting of the 8th Board of Directors held on September 22, 2023 reviewed and approved the "Proposal on Reviewing the Intention of Zhenhua Heavy Industries' Wholly-Owned Subsidiary to Introduce Strategic Investors and Employee Stock Ownership Platform to Increase Its Capital", in which the wholly-owned subsidiary ZPMC Machinery Equipment Services Co., Ltd. (hereinafter referred to as "T Company") intended to increase its capital by introducing strategic investors through public listing on the Shanghai United Assets and Equity Exchange and simultaneously carry out employee stock ownership. See the relevant announcement disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated information disclosure media on September 23, 2023 (Extraordinary Announcement No. 2023-041) for details. T Company has completed the signing of the capital increase agreement with relevant parties.

Section VII Changes in Shares and Shareholders' Situation

I. Changes in share capital

(I) Table of changes in shares

1. Table of changes in shares

The total number of shares of the Company and the structure of its share capital remained unchanged during the reporting period.

2. Notes to changes in shares

Applicable Not Applicable

3. Effect of changes in shares on financial indicators such as earnings per share and net asset per share for the latest year and period (if any)

Applicable Not Applicable

4. Other contents that the Company deems necessary to be disclosed or required to be disclosed by the securities regulatory authority

Applicable Not Applicable

(II) Changes in shares with restrictive conditions for sales

Applicable Not Applicable

II. Issuance and listing of securities

(I) Securities issuance by the reporting period

Applicable Not Applicable

Particulars about the issuance of securities during the reporting period (for bonds of different interest rates within the duration, please state them respectively)

Applicable Not Applicable

(II) Changes in total shares and the shareholder structure of the Company, as well as in asset and liability structures

Applicable Not Applicable

(III) Existing internal employee ownership

Applicable Not Applicable



III. Shareholders and actual controller

(I) Total number of shareholders

Total of ordinary shareholders by the end of the reporting period	202,410
Total of ordinary shareholders by the end of the month previous to the disclosure date of annual report	202,830

(II) Table of the shares held by top 10 shareholders, top 10 holders of marketable shares (or shareholders without trading limited conditions) by the end of reporting period

Unit: share

Shareholdings of top ten shareholders (excluding shares lent through refinancing)							
Name of shareholder(in full)	Changes in the reporting period	Number of shares held at the end of the period	Ratio (%)	Number of shares with trading limited conditions held	Shares in pledge, marked or frozen		Nature of shareholder
					Share status	Number of shares	
CCCC (HK) Holding Limited	0	916,755,840	17.401	0	None	0	Overseas legal person
China Communications Construction Company Ltd.	0	855,542,044	16.239	0	None	0	State-owned legal person
China Communications Construction Group Co., Ltd.	0	663,223,375	12.589	0	None	0	State-owned legal person
CITIC Bank Co., Ltd. - BOCOM Schroder New Life Flexible Allocation Hybrid Securities Investment Fund	-7,841,428	26,701,157	0.51		Unknown		Unknown
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	-279,200	19,576,720	0.37		Unknown		Unknown
VANGUARD EMERGING MARKETS STOCK INDEX FUND	0	16,888,846	0.32		Unknown		Unknown
Harvest Fund - Agricultural Bank of China - Harvest financial asset management plan	-2,148,600	14,984,776	0.28		Unknown		Unknown
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0	14,924,161	0.28		Unknown		Unknown
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	-5,628,900	14,227,020	0.27		Unknown		Unknown
Shi Qing	0	13,069,500	0.25		Unknown		Unknown

Shareholdings of top 10 shareholders without trading limited conditions			
Name of shareholder	Number of non- restrictive circulation shares held	Type and number of shares	
		Type	Quantity
CCCC (HK) Holding Limited	916,755,840	Foreign shares listed domestically	
China Communications Construction Company Ltd.	855,542,044	RMB ordinary shares	
China Communications Construction Group Co., Ltd.	663,223,375	RMB ordinary shares	
CITIC Bank Co., Ltd. - BOCOM Schroder New Life Flexible Allocation Hybrid Securities Investment Fund	26,701,157	RMB ordinary shares	
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	19,576,720	RMB ordinary shares	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	16,888,846	Foreign shares listed domestically	
Harvest Fund - Agricultural Bank of China - Harvest financial asset management plan	14,984,776	RMB ordinary shares	
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	14,924,161	Foreign shares listed domestically	

Shareholdings of top 10 shareholders without trading limited conditions			
Name of shareholder	Number of non- restrictive circulation shares held	Type and number of shares	
		Type	Quantity
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	14,227,020	RMB ordinary shares	
Shi Qing	13,069,500	RMB ordinary shares	
Explanation of the special accounts for repurchase among the top ten shareholders			
Note to the said shareholders' entrusting voting rights, entrusted voting rights and waived voting rights			
Notes to the related relation or consistent actions of the above-mentioned shareholders	Among the above top 10 shareholders, CCCG (HK) Holding Limited, China Communications Construction Group Co., Ltd. and China Communications Construction Company Ltd. are related companies. It was unknown to the Company whether there was related relation between other shareholders and whether they belonged to the concerted actor specified in the "Management Method on Information Disclosure for Shareholding Change of the Shareholders of Listed Companies".		
Explanation on preferred stock holders with recovered voting rights and number of stocks held by them			

Shares lent by top ten shareholders through refinancing

Applicable Not Applicable

Changes in the top ten shareholders compared with the previous period

Applicable Not Applicable

Unit: share

Changes in top ten shareholders compared with the end of the previous period					
Full name of shareholders	Addition/ withdrawal during this reporting period	Number of shares lent through refinancing and not yet returned at the end of the period		Number of shares held in shareholders' ordinary accounts and credit accounts and shares lent through refinancing and not yet returned at the end of the period	
		Total	Proportion (%)	Total	Proportion (%)
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Addition	-	-	-	-
Harvest Fund - Agricultural Bank of China - Harvest financial asset management plan	Addition	0	0	0	0
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Addition	-	-	-	-
Shi Qing	Addition	-	-	-	-
GF Fund- Agricultural Bank of China - GF China Securities Financial Assets Management Plan	Withdrawal	0	0	0	0
E FUND Management- Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	Withdrawal	0	0	0	0
Lombarda China Fund- Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	Withdrawal	0	0	0	0
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	Withdrawal	0	0	0	0

Shareholdings of the top ten restricted shareholders and the restrictions

Applicable Not Applicable

(III) Indicate whether any strategic investor or general corporate has become a top-10 shareholder due to placement of new shares

Applicable Not Applicable



IV. Controlling shareholder and actual controller

(I) Controlling shareholder

1. Legal person

Applicable Not Applicable

Name	China Communications Construction Group Co., Ltd.
Company principal or legal representative	Wang Tongzhou
Date of Establishment	December 8, 2005
Main business	Construction of overseas projects and international bidding projects at home; general contracting for construction of various special ships, leasing and maintenance of special ship and construction machines; offshore towage and professional services related to the ocean engineering; technical consultant services regarding the ship and the supporting port equipment; engaging in the general contracting of construction projects for ports, channels, highways and bridges both home and abroad (including technical and economic consultation of engineering, feasibility study, survey, design, construction, supervision, procurement and supply for related complete set of equipment or materials, and equipment installation); undertaking the general contracting of the construction of industrial and civil works, railway, metallurgy, petrochemical, tunnel, power, mine, water conservancy, and municipal works; import and export business; real estate development and property management; investment and management of transportation, hotel and tourism industries.
Interests held in other domestically and overseas listed companies in the reporting period	CCCCG holds 59.47% of the stock equity of CCCC (601800.SH, 1800.HK) and it is the controlling shareholder. CCCG holds 100% of the stock equity of CCCG Real Estate Group Co., Ltd. CCCG Real Estate Group Co., Ltd. holds 52.32% of the stock equity of CCCC Real Estate Co., Ltd. (000736.SZ) and it is the controlling shareholder. CCCG and its controlling subsidiaries totally hold 28.97% of the stock equity of Greentown Holding Co., Ltd. (3900. HK) and they are the controlling shareholders. China Urban and Rural Holding Group Co., Ltd., a wholly-owned subsidiary of CCCG, and CCCC Fund jointly hold 33.40% of the stock equity of Originwater (300070. SZ), and they are the controlling shareholders. CCCG holds 62.35% of CCCC Design (600720.SH) through CCCC and China Urban-Rural Holding Group Co., Ltd. and it is the controlling shareholder.
Notes to other circumstances	

2. Natural person

Applicable Not Applicable

3. Particulars about no controlling shareholder in the Company

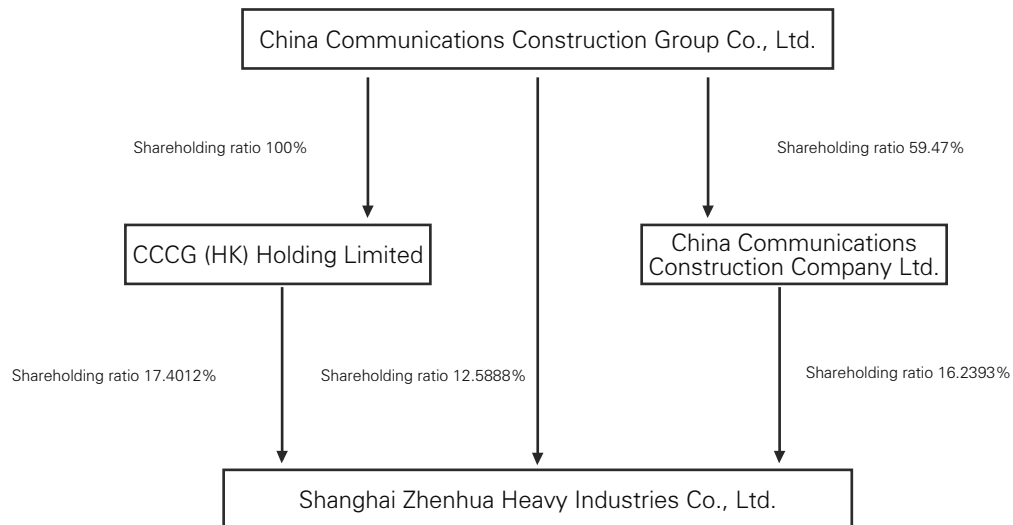
Applicable Not Applicable

4. Change of the controlling shareholder in the reporting period

Applicable Not Applicable

5. Block diagram of the ownership and control relationship between the Company and the controlling shareholder

Applicable Not Applicable



(II) Actual controller

1. Legal person

Applicable Not Applicable

2. Natural person

Applicable Not Applicable

3. Particulars about no actual controller in the Company

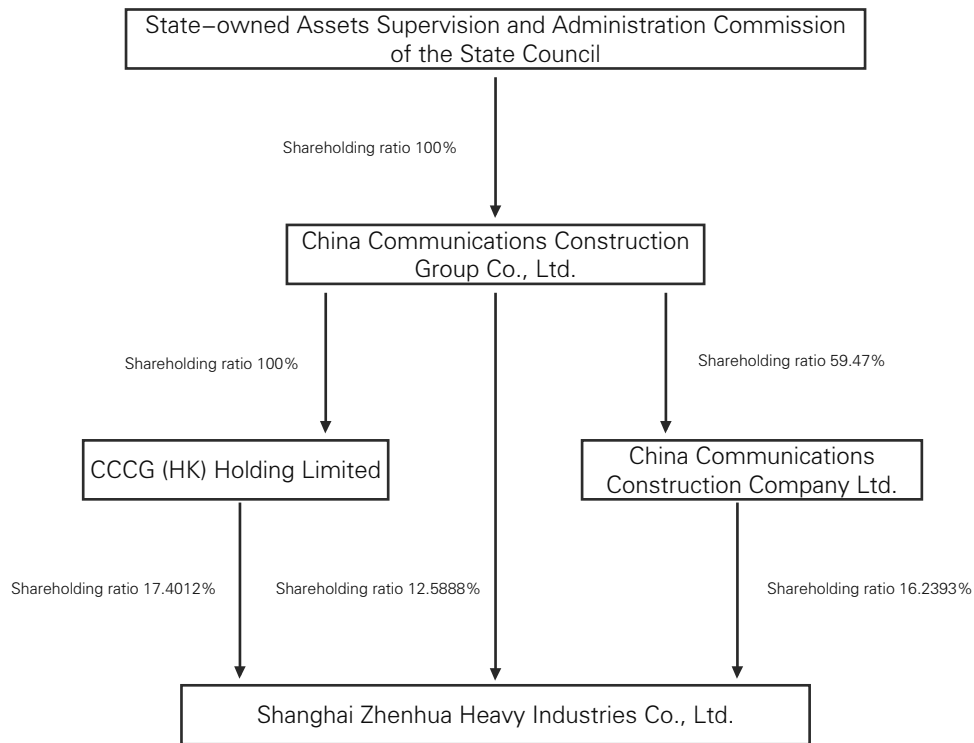
Applicable Not Applicable

4. Description of the changes in control of the Company during the reporting period

Applicable Not Applicable

5. Block diagram of ownership and control relationship between the Company and the actual controller

Applicable Not Applicable



6. Indicate whether the actual controller controls the Company via trust or other ways of assets management

Applicable Not Applicable

(III) Other information about the controlling shareholder and the actual controller

Applicable Not Applicable

V. Indicate whether the cumulative number of shares put in pledge by the Company's controlling shareholder or the largest shareholder and its acting-in-concert parties accounts for over 80% of their shareholdings in the Company

Applicable Not Applicable

VI. Other corporate shareholders holding more than 10%√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Name of corporate shareholder	Company principal or legal representative	Date of establishment	Organization code	Registered capital	Main business or management activities
China Communications Construction Company Ltd.	Wang Tongzhou	October 8, 2006	91110000710934369E	16,165,711,425	General contracting of construction projects for ports, waterways, highways, bridges, etc.
CCCC (HK) Holding Limited	Peng Guangsheng	September 5, 2017	/	HKD 1,000	Investment management, project investment, project financing
Description	CCCC (HK) Holding Limited and China Communications Construction Company Ltd. are subsidiaries of China Communications Construction Group Co., Ltd.				

VII. Particulars about restrictions on shareholding reduction Applicable Not Applicable**VIII. Specific implementation of share repurchases during the reporting period** Applicable Not Applicable**Section VIII Preference Shares** Applicable Not Applicable



Section IX Bonds

I. Enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises

Applicable Not Applicable

(I) Enterprise bonds

Applicable Not Applicable

(II) Corporate bonds

Applicable Not Applicable

(III) Interbank bond market debt financing instrument of non-financial enterprises

Applicable Not Applicable

1. Basic information of debt financing instruments of non-financial enterprises

Unit: Yuan Currency: CNY

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding balance	Interest rate (%)	Payment method	Trading venue	Investor eligibility arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
Shanghai Zhenhua Heavy Industries Co., Ltd. 2022 medium-term notes series I (sci-tech innovation note)	22 ZPMC MTNO01 (sci-tech innovation note)	102281893	August 22, 2022	August 24, 2022	December 31, 2099	500,000,000	3.22	Aug.24 every year	Interbank market		Centralized book-entry and centralized placement	N/A

Company's response to the risk of termination of listing of bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Interest payment and payment of bonds during the reporting period

Applicable Not Applicable

2. Triggering and execution of issuer or investor option clauses and investor protection clauses

Applicable Not Applicable

3. Intermediary agencies providing services for bond issue and duration business

Agency name	Office address	Signed by the Accountants	Person to contact	Contact number
Bank of Communications Co., Ltd.	No.188 Yincheng Middle Road, Shanghai	-	Xiong Han	021-38579212
Industrial Bank Co., Ltd.	Industrial Bank Tower, 398 Middle Jiangbin Blvd., Taijiang District, Fuzhou, Fujian	-	Lin Chen, Cheng Qiuyun	010-89926551, 021-62677777
China Lianhe Credit Rating Co. Ltd.	17/F, PICC Building, No.2 Jianguomenwai Street, Chaoyang District, Beijing	-	Yang Heng	010-85679696

Agency name	Office address	Signed by the Accountants	Person to contact	Contact number
Ernst & Young Hua Ming LLP	50/F, Shanghai World Financial Center, No. 100 Century Ave., Pudong New Area, Shanghai	-	Gao Chong	021-22288888
Shanghai Duan & Duan Law Firm	58F, Shanghai Tower, No. 501 Yincheng Middle Road, Lujiazui Sub-district, Pudong New Area, Shanghai	-	Wang Xiaobo	021-32230722

Changes in the above intermediary agencies

Applicable Not Applicable

4. Use of raised funds at the end of the reporting period

Applicable Not Applicable

Progress and operating benefits of the raised funds used for construction projects

Applicable Not Applicable

Change in the use of above funds raised from bonds during the reporting period

Applicable Not Applicable

Other description

Applicable Not Applicable

5. Adjustment of credit rating results

Applicable Not Applicable

Other description

Applicable Not Applicable

6. Implementation and changes in guarantee, debt repayment plan and other debt repayment guarantee measures during the reporting period and their impacts

Applicable Not Applicable

7. Other information on debt financing instruments of non-financial enterprises

Applicable Not Applicable

(IV) The loss in the scope of consolidated financial statements during the reporting period exceeding 10% of the net assets as at the end of the prior year

Applicable Not Applicable

(V) Overdue interest-bearing debts other than bonds at the end of the reporting period

Applicable Not Applicable

(VI) Violations of laws and regulations, the articles of association, the management system for information disclosure matters, as well as the impact of conditions agreed or promised in the bond prospectus on the rights and interests of bond investors during the reporting period

Applicable Not Applicable



(VII) Main accounting data and financial indexes of the Company in recent 2 years as of the end of the reporting period

Applicable Not Applicable

Unit: Yuan Currency: CNY

Main indexes	2023	2022	Year-on-year change (%)	Reason of change
Net profit attributable to shareholders of the listed company after deducting the non-recurring profits and losses	274,145,961	414,835,324	-33.91	
Current ratio	0.94	1.07	-12.15	
Quick ratio	0.41	0.33	24.24	
Asset-liability ratio (%)	77.77	76.83	+0.94	
EBITDA all debt ratio	0.05	0.05	0	
Interest coverage ratio	1.81	1.56	16.03	
Cash interest coverage ratio	5.48	2.92	87.67	
EBITDA interest coverage ratio	3.22	2.74	17.52	
Loan repayment ratio (%)	100	100	0	
Interest coverage ratio (%)	100	100	0	

II. Information about convertible corporate bonds

Applicable Not Applicable

Section X Financial Report

I. Auditors' Report

Applicable Not Applicable

Auditors' Report

Ernst & Young (2024) SZ No. 70020902_B01
Shanghai Zhenhua Heavy Industries Co., Ltd.

All shareholders of Shanghai Zhenhua Heavy Industries Co., Ltd.:

(I) Opinion

We have audited the financial statements of Shanghai Zhenhua Heavy Industries Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and the Company's balance sheet as at December 31, 2023, the consolidated income statement and the Company's income statement, the consolidated statement of changes in shareholders' equity and the Company's statement of changes in owners' equity and the consolidated statement of cash flows and the Company's statement of cash flows for the year then ended as well as the notes to the financial statements.

In our opinion, the financial statements of the Company attached are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and fairly present the consolidated financial position and the Company's financial position as at December 31, 2023 and the consolidated operating results and cash flows and the Company's operating results and cash flows for the year then ended.

(II) Basis for Our Opinions

We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of this auditors' report. According to the Code of Ethics for Certified Public Accountants of China, we are independent of the Company, and we have fulfilled other responsibilities in the aspect of code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinions. We do not express our opinions on these matters separately. The following description of how our audit addressed the key audit matter is also against this background.

We have fulfilled the responsibilities stated in "Responsibilities of Certified Public Accountant for Auditing of Financial Statement" in this report, including the responsibilities related to these key auditing matters. Correspondingly, our auditing work includes the implementation of the auditing procedure designed for dealing with the great misstatement risks of the financial statement to be evaluated. The results from the implementation of the auditing procedure by us, including the procedure to be implemented for the following key auditing matters, offers a foundation for releasing the auditing opinions of the financial statements.



Key Audit Matters:	How our audit addressed the key audit matter:
<p>1. Inventory depreciation reserves</p> <p>Shanghai Zhenhua Heavy Industries Co., Ltd. is mainly engaged in manufacturing the port container crane; in addition, it is also engaged in the manufacture of bulk handling machine, offshore heavy-duty machine and large-sized steel structure. Its inventories mainly include raw materials, outsourcing parts and components, products in the process and inventory goods. Since the production cycle of the products is relatively long, the net realizable value of the related inventory may fluctuate with the change in the market demand, resulting in the inventory depreciation risks. The management sets aside the inventory depreciation reserves according to the balance of the inventory cost and the net realizable value. The net realizable value is determined as per the estimated selling price of the inventory minus the cost, the estimated selling expenses and the related taxes that may occur in the completion on the assumption that the management layer adopts a certain estimate and hypothesis in determining the net realizable value. In case of difference between the actual figure and the originally estimated figure, the related balance will affect the book value of the inventory and the depreciation loss in the estimated fluctuation.</p> <p>As of December 31, 2023, in the consolidated financial statements, the balance of inventories was RMB 25.15 billion and the reserve for inventory depreciation was RMB 0.87 billion; in the financial statements of the Company, the balance of inventories was RMB 22.59 billion and the reserve for inventory depreciation was RMB 0.87 billion.</p> <p>The accounting policy and other disclosures regarding the inventory are stated in Note III (10), Note III (31) and Note V (8) of the financial statement.</p>	<p>Our procedure mainly included knowing and testing the validity of the control related to the provision of inventory depreciation reserves and the method of calculating the net realizable value of the Group. We also implemented the related auditing procedures over the inventory such as supervision of inventory to verify whether the management had marked the inventory with slow turnover and defectives and taken into full account in provision of inventory depreciation reserves. In addition, we obtained the computation sheet of provision of inventory depreciation reserves from the management, rechecked the calculation method and result. As to the key elements taken into consideration by the management in calculating the net realizable value, including the estimated selling price and the cost that may occur till completion, we evaluated the hypothesis and the estimates through analyzing the related historical data and comparing the after-date data of Shanghai Zhenhua Heavy Industries Co., Ltd. We also rechecked the disclosure of inventory depreciation reserves in financial statements.</p>
<p>2. Provision for bad debts of accounts receivable</p> <p>The accounts receivable of Shanghai Zhenhua Heavy Industries Co., Ltd. is mainly from the business contract on port machine and ocean engineering manufacturing. Since it involves large contracted value, long construction period, relatively complicated technical parameters, the implementation of the contract may be affected by the periodicity of the economic environment. The accounts receivable has certain risk in the recovery in case of any dispute in contract or the industry is in recession. The provisions for bad debts of accounts receivable are recognized on the basis of estimated credit losses, involving major judgment and estimates. The management of analyzed the financial position of counter parties, guarantee acquired for accounts receivable, historical repayment records of accounts receivable, as well as the credit rating and future economic situations of counter parties for evaluating the credit risk of accounts receivable.</p> <p>As of December 31, 2023, in the consolidated financial statements, the balance of accounts receivable was RMB 9.84 billion and the provision for bad debts of accounts receivable was RMB 2.57 billion; in the financial statements of the Company, the balance of accounts receivable was RMB 22.02 billion and the provision for bad debts of accounts receivable was RMB 2.33 billion.</p> <p>The accounting policy and other disclosures regarding the provision for bad debts of accounts receivable are stated in Note III (9), Note III (31), Note V (4) and Note XIII (1) of the financial statements.</p>	<p>Our procedure mainly included the evaluation of the accounting estimate relating to the depreciation reserves, such as the financial status and credit rating of the counterpart; checked the account age of accounts receivable and historical repayment record and evaluated whether the financial problems of the counter party had effects on the recovery of the accounts receivable; for the accounts receivable evaluated based on the portfolio, we rechecked the management's setting of credit risk features portfolio, checked the key information such as account age and credit record of each portfolio by sampling, and rechecked the basis of management's evaluation of credit risk and expected credit loss amount based on the credit risk features portfolio, including testing historical default data and checking the actual credit loss in the current year; rechecked the disclosure of bad debt provision for accounts receivable in financial statements.</p>

Key Audit Matters:	How our audit addressed the key audit matter:
<p>3. Revenue recognition</p> <p>Most of the revenue of Shanghai Zhenhua Heavy Industries Co., Ltd. comes from the one of the construction contracts on the large-sized port equipment, heavy equipment, steel structure and construction projects customized by the customer.</p> <p>Since the operating revenue is one of the key performance indicators of Shanghai Zhenhua Heavy Industries Co., Ltd., there may be a risk of material misstatement in whether it is recognized and presented in the appropriate financial statement period, so we identify revenue recognition as a key audit matter.</p> <p>In 2023, in the consolidated financial statements, the operating revenue was RMB 32.93 billion; in the financial statements of the Company, the operating revenue was RMB 28.45 billion.</p> <p>The accounting policy and other disclosures regarding the operating revenue are stated in Note III (22), Note III (31), Note V (46) and Note XIII (4) of the financial statements.</p>	<p>Our procedure mainly included evaluating and testing the management's internal control related to revenue recognition, selected the sales contract with significant amount, checked the important contract terms related to revenue recognition, and evaluated the management's accounting judgment and estimate on performance obligations, revenue recognition amount (including variable consideration) and the recognition at a certain time point or within a period of time. Through selecting the samples, we verified whether the contract revenue recognized in the year conformed to the revenue recognition conditions; implemented the cutoff check procedure to validate the revenue was confirmed in the proper accounting period. For the revenue recognized in a certain period of time, we evaluated the judgment and estimate of the total contract cost and total processing amount made by the management, and made sampling to calculate and check the income determined by the occurred contract cost and the expected total contract cost again; implemented the analysis procedure against the changes in revenue and gross profit of various businesses; rechecked the disclosure of revenue recognition in financial statements.</p>

(IV) Other Information

The management of Shanghai Zhenhua Heavy Industries Co., Ltd. shall be responsible for other information. The other information comprises information of the annual report, but excludes the financial statements and our auditors' report.

Our opinion on the financial statements does not cover the other information, and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this regard, we have nothing to report.

(V) Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the Management is responsible for assessing the Company's going-concern ability, disclosing the matters related to going concern (if applicable) and using the going-concern assumption, unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(VI) Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

During the process of an audit conducted in accordance with audit standards, we exercise professional judgment and maintain professional scepticism throughout the audit. Meanwhile, we also implement the following work:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used by and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting. Based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Shanghai Zhenhua Heavy Industries Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to, in our auditors' report, draw attention of the users of statements to the related disclosures in the financial statements; if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Shanghai Zhenhua Heavy Industries Co., Ltd. to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content (including the disclosures) of the financial statements, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and bear full responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit, significant audit findings and other matters, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them in regard to all relationships and other matters that may reasonably be thought to affect our independence, and related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Hua Ming LLP

Certified Public Accountant of China:
(Engagement Partner)

Certified Public Accountant of China:

Beijing, China

March 28, 2024

**II. Financial Statements****Consolidated Balance Sheet**

As at December 31, 2023

Prepared by: Shanghai Zhenhua Heavy Industries Co., Ltd.

Unit: Yuan Currency: CNY

Item	Note	As at December 31, 2023	As at December 31, 2022
Current assets:			
Monetary funds	VII (1)	5,105,078,436	2,397,047,713
Settlement provisions			
Lending funds			
Held-for-trading financial assets	VII (2)	720,594,675	877,483,342
Derivative financial assets	VII (3)		
Notes receivable	VII (4)	14,122,031	56,114,657
Accounts receivable	VII (5)	7,266,298,102	7,193,649,855
Receivables financing	VII (7)	965,569,122	439,912,428
Advances to suppliers	VII (8)	1,313,834,063	951,212,422
Premiums receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	VII (9)	1,245,727,441	995,545,297
Including: Interest receivable			
Dividend receivable			8,000,000
Financial assets purchased under agreements to resell			
Inventories	VII (10)	24,281,402,176	21,513,379,348
Contract assets	VII (6)	2,779,633,134	3,243,073,136
Assets held for sale	VII (11)		
Non-current assets due within one year	VII (12)	1,341,408,631	900,213,411
Other current assets	VII (13)	476,726,381	279,067,341
Total current assets		45,510,394,192	38,846,698,950
Non-current assets:			
Disbursement of loans and advances			
Debt investment	VII (14)		
Other debt investments	VII (15)		
Long-term receivables	VII (16)	1,457,182,459	2,402,265,565
Long-term equity investments	VII (17)	1,956,257,622	2,002,879,925
Other equity instrument investment	VII (18)	104,859,374	73,475,619
Other non-current financial assets	VII (19)		
Investment properties	VII (20)	414,931,428	437,494,135
Fixed assets	VII (21)	19,990,882,347	20,663,113,030
Construction in progress	VII (22)	5,184,520,534	4,838,814,052
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII (25)	62,630,180	11,931,451
Intangible assets	VII (26)	4,093,419,088	3,553,837,771
Development expenditures			
Goodwill	VII (27)	270,172,367	268,245,693
Long-term deferred expenses	VII (28)	1,055,983	409,870
Deferred income tax assets	VII (29)	893,698,896	867,941,451
Other non-current assets	VII (30)	4,924,571,621	4,246,061,211
Total non-current assets		39,354,181,899	39,366,469,773
Total assets		84,864,576,091	78,213,168,723
Current liabilities:			
Short-term borrowings	VII (32)	4,781,640,779	1,793,682,952
Borrowings from the Central Bank			
Borrowing funds			
Held-for-trading financial liabilities			

Item	Note	As at December 31, 2023	As at December 31, 2022
Derivative financial liabilities			
Notes payable	VII (35)	5,533,470,582	5,401,258,897
Accounts payable	VII (36)	8,616,059,138	7,255,123,334
Advances from customers			
Contract liabilities	VII (38)	19,230,649,196	13,348,150,197
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	VII (39)	40,097,393	38,074,154
Tax payable	VII (40)	324,641,134	238,103,875
Other payables	VII (41)	1,021,376,260	1,314,688,315
Including: Interest payable			
Dividends payable		6,593	6,593
Fees and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within a year	VII (43)	8,650,700,389	6,961,445,218
Other current liabilities	VII (44)		
Total current liabilities		48,198,634,871	36,350,526,942
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	VII (45)	15,105,224,079	21,019,572,646
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities	VII (47)	31,548,184	7,676,707
Long-term payables	VII (48)	1,744,502,983	1,931,340,734
Long-term payroll payable			
Estimated liabilities	VII (50)	168,217,597	168,241,316
Deferred income	VII (51)	369,054,982	332,419,380
Deferred income tax liabilities	VII (29)	133,272,270	99,240,972
Other non-current liabilities	VII (52)	247,185,330	181,805,207
Total non-current liabilities		17,799,005,425	23,740,296,962
Total liabilities		65,997,640,296	60,090,823,904
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII (53)	5,268,353,501	5,268,353,501
Other equity instruments	VII (54)	500,000,000	500,000,000
Including: preferred stock			
Perpetual bond		500,000,000	500,000,000
Capital reserves	VII (55)	4,882,590,778	4,842,515,715
Less: treasury stock			
Other comprehensive income	VII (57)	59,000,302	24,865,987
Special reserves	VII (58)	10,525,094	2,945,560
Surplus reserves	VII (59)	1,711,305,045	1,703,918,676
General risk preparation			
Undistributed profits	VII (60)	3,324,778,074	2,825,870,678
Total owners' equities attributable to the owners of parent company		15,756,552,794	15,168,470,117
Minority equity		3,110,383,001	2,953,874,702
Total owners' equity (or shareholders' equity)		18,866,935,795	18,122,344,819
Total liabilities and owners' equity (or shareholders' equity)		84,864,576,091	78,213,168,723

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:



Balance Sheet of the Parent Company

December 31, 2023

Prepared by: Shanghai Zhenhua Heavy Industries Co., Ltd.

Unit: Yuan Currency: CNY

Item	Note	As at December 31, 2023	As at December 31, 2022
Current assets:			
Monetary funds		3,759,568,695	722,079,840
Held-for-trading financial assets		182,724,222	239,784,587
Derivative financial assets			
Notes receivable			56,114,657
Accounts receivable	XIX (1)	19,685,759,151	18,014,241,050
Receivables financing		638,394,101	297,356,630
Advances to suppliers		1,204,312,330	6,860,717,286
Other receivables	XIX (2)	3,373,418,359	1,680,563,614
Including: Interest receivable			
Dividend receivable			315,789,096
Inventories		21,719,656,262	18,530,057,990
Contract assets		1,854,052,360	1,867,489,992
Assets held for sale			
Non-current assets due within one year			
Other current assets		305,040,708	175,036,344
Total current assets		52,722,926,188	48,443,441,990
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIX (3)	9,456,761,435	9,389,579,244
Other equity instrument investment		104,859,374	73,475,619
Other non-current financial assets			
Investment properties		414,931,428	437,494,135
Fixed assets		3,741,477,947	3,865,130,627
Construction in progress		916,537,474	647,322,776
Productive biological assets			
Oil and gas assets			
Right-of-use assets		15,253,224	44,765
Intangible assets		1,393,384,863	1,432,796,201
Development expenditures			
Goodwill			
Long-term deferred expenses		124,771	
Deferred income tax assets		871,331,750	833,341,377
Other non-current assets		823,808,086	530,196,047
Total non-current assets		17,738,470,352	17,209,380,791
Total assets		70,461,396,540	65,652,822,781
Current liabilities:			
Short-term borrowings		4,091,640,779	1,269,182,952
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		5,199,186,754	5,252,294,408
Accounts payable		5,166,087,023	3,610,603,937
Advances from customers			

Item	Note	As at December 31, 2023	As at December 31, 2022
Contract liabilities		18,367,419,237	12,525,059,840
Payroll payable		29,378,564	29,189,818
Tax payable		140,507,385	82,609,138
Other payables		1,384,628,567	2,716,399,244
Including: Interest payable			
Dividends payable		6,593	6,593
Liabilities held for sale			
Non-current liabilities due within one year		8,198,412,536	6,152,492,930
Other current liabilities			
Total current liabilities		42,577,260,845	31,637,832,267
Non-current liabilities:			
Long-term borrowings		12,250,338,715	18,447,465,656
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities		8,137,322	
Long-term payables			
Long-term payroll payable			
Estimated liabilities		147,187,314	154,863,743
Deferred income		267,369,648	257,656,046
Deferred income tax liabilities			
Other non-current liabilities		5,852,338	2,321,173
Total non-current liabilities		12,678,885,337	18,862,306,618
Total liabilities		55,256,146,182	50,500,138,885
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		5,268,353,501	5,268,353,501
Other equity instruments		500,000,000	500,000,000
Including: preferred stock			
Perpetual bond		500,000,000	500,000,000
Capital reserves		4,894,907,348	4,914,468,683
Less: treasury stock			
Other comprehensive income		31,409,336	20,882,527
Special reserves		1,422,294	
Surplus reserves		1,710,796,772	1,703,410,403
Undistributed profits		2,798,361,107	2,745,568,782
Total owners' equity (or shareholders' equity)		15,205,250,358	15,152,683,896
Total liabilities and owners' equity (or shareholders' equity)		70,461,396,540	65,652,822,781

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:



Consolidated Income Statement

January to December in 2023

Prepared by: Shanghai Zhenhua Heavy Industries Co., Ltd.

Unit: Yuan Currency: CNY

Item	Note	2023	2022
I. Total operating revenue		32,933,263,802	30,191,792,987
Including: Operating revenue	VII (61)	32,933,263,802	30,191,792,987
Interest income			
Premiums earned			
Fee and commission income			
II. Total operating cost		31,689,837,163	29,226,104,243
Including: operating costs	VII (61)	28,480,385,794	26,145,431,986
Interest expenses			
Fee and commission expense			
Surrender value			
Net amount of compensation payout			
Net reserves for insurance liabilities			
Policy holder dividend expense			
Reinsurance expenses			
Taxes and surcharges	VII (62)	291,299,625	174,759,457
Selling and distribution expenses	VII (63)	211,361,193	176,805,664
General and administrative expenses	VII (64)	849,183,436	835,690,168
Research and development expenditures	VII (65)	1,311,556,665	1,118,337,091
Financial expenses	VII (66)	546,050,450	775,079,877
Including: interest expenses		965,865,812	1,038,321,065
Interest income		429,793,598	413,595,714
Plus: other incomes	VII (67)	99,289,337	104,014,204
Income from investment (loss expressed with "-")	VII (68)	67,909,400	204,359,358
Including: Income from investment of joint venture and cooperative enterprise		78,028,096	170,402,945
Income from derecognition of financial assets measured at amortized cost		-115,312,416	-20,135,378
Exchange gain (loss expressed with "-")			
Net exposure hedging gain (loss expressed with "-")			
Income from fair value changes (loss expressed with "-")	VII (70)	-27,339,814	-276,050,580
Credit impairment losses (loss expressed with "-")	VII (71)	-276,310,095	-346,156,434
Assets impairment losses (loss expressed with "-")	VII (72)	-428,844,200	-92,510,638
Income from disposal of assets (loss expressed with "-")	VII (73)	79,038,662	66,186,622
III. Operating profits (loss expressed with "-")		757,169,929	625,531,276
Plus: non-operating income	VII (74)	30,243,969	32,139,607
Less: non-operating expenditure	VII (75)	2,256,229	2,436,095
IV. Total profits (total loss expressed with "-")		785,157,669	655,234,788
Less: income tax expenses	VII (76)	138,613,040	57,672,440
V. Net profits (net loss expressed with "-")		646,544,629	597,562,348
(I) Classified by business continuity			
1. Net profits from ongoing operation (net loss expressed with "-")		646,544,629	597,562,348
2. Net profits from discontinuing operation (net loss expressed with "-")			
(II) Classified by ownership			
1. Net profit attributable to the shareholders of parent company (net loss expressed with "-")		519,978,765	371,937,232
2. Minority interests (net loss expressed with "-")		126,565,864	225,625,116

Item	Note	2023	2022
VI. Net of tax of other comprehensive income	VII (77)	45,425,366	122,166,570
(I) Net amount of after-tax other comprehensive income attributable to the owners of the parent company		34,134,315	94,221,045
1. Other comprehensive income that can't be reclassified into profit and loss		10,704,692	6,116,237
(1) Remeasure the variation of net indebtedness or net asset of defined benefit plan			
(2) Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method			
(3) Fair value change of other equity instrument investments		10,704,692	6,116,237
(4) Fair value change of enterprise credit risks			
2. Other comprehensive income that will be reclassified into profit and loss		23,429,623	88,104,808
(1) Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		-718,408	20,743,893
(2) Fair value change of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Translation reserve		24,148,031	67,360,915
(7) Others			
(II) Net of tax of other comprehensive income attributable to the minority shareholders		11,291,051	27,945,525
VII. Total comprehensive income		691,969,995	719,728,918
(I) Total comprehensive income belonging to parent company		554,113,080	466,158,277
(II) Total comprehensive income belonging to minority shareholders		137,856,915	253,570,641
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)		0.10	0.07
(II) Diluted earnings per share (Yuan/share)		0.10	0.07

In case of business combination under common control in current period, the net profit realized by the combined party before combination was RMB 0, and the net profit realized by the combined party in the previous period was RMB 0.

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:



Income Statement of Parent Company

January to December in 2023

Prepared by: Shanghai Zhenhua Heavy Industries Co., Ltd.

Unit: Yuan Currency: CNY

Item	Note	2023	2022
I. Operating revenue	XIX (4)	28,449,047,821	26,167,200,140
Less: operating costs	XIX (4)	25,824,140,425	23,715,294,401
Taxes and surcharges		215,477,341	99,236,620
Selling and distribution expenses		155,665,223	155,895,902
General and administrative expenses		445,853,080	440,171,981
Research and development expenditures		892,691,771	813,395,559
Financial expenses		454,757,877	884,406,720
Including: interest expenses		712,367,582	799,727,505
Interest income		81,538,834	41,733,102
Plus: other incomes		38,130,119	75,037,357
Income from investment (loss expressed with "-")	XIX (5)	191,810,563	604,019,489
Including: Income from investment of joint venture and cooperative enterprise		77,665,390	170,768,840
Income from derecognition of financial assets measured at amortized cost		-115,312,416	-20,135,378
Net exposure hedging gain (loss expressed with "-")			
Income from fair value changes (loss expressed with "-")		-49,259,201	-253,335,714
Credit impairment losses (loss expressed with "-")		-248,116,095	-274,770,970
Assets impairment losses (loss expressed with "-")		-398,239,554	-71,850,880
Income from disposal of assets (loss expressed with "-")		30,720,459	4,769,913
II. Operating profits (loss expressed with "-")		25,508,395	142,668,152
Plus: non-operating income		13,763,655	12,598,476
Less: non-operating expenditure		1,660,230	1,097,149
III. Total profits (total loss expressed with "-")		37,611,820	154,169,479
Less: income tax expenses		-36,251,874	-92,432,319
IV. Net profits (loss expressed with "-")		73,863,694	246,601,798
(I) Net profits from ongoing operation (net loss expressed with "-")		73,863,694	246,601,798
(II) Net profits from discontinuing operation (net loss expressed with "-")			
V. Net of tax of other comprehensive income		10,526,809	29,497,087
(I) Other comprehensive income that can't be reclassified into profit and loss		10,704,692	6,116,237
1. Remeasure the variation of net indebtedness or net asset of defined benefit plan			
2. Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method			
3. Fair value change of other equity instrument investments		10,704,692	6,116,237
4. Fair value change of enterprise credit risks			
(II) Other comprehensive income that will be reclassified into profit and loss		-177,883	23,380,850
1. Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		-718,408	20,743,893
2. Fair value change of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		540,525	2,636,957
7. Others			
VI. Total comprehensive income		84,390,503	276,098,885
VII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)			
(II) Diluted earnings per share (Yuan/share)			

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:

Consolidated Statement of Cash Flows

January to December in 2023

Prepared by: Shanghai Zhenhua Heavy Industries Co., Ltd.

Unit: Yuan Currency: CNY

Item	Note	2023	2022
I. Cash flow from operating activities:			
Cash from selling commodities or offering labor		38,828,500,433	25,267,511,264
Net increase of customer deposit and deposit from other banks			
Net increase of borrowings from central bank			
Net increase of borrowing funds from other financial institutions			
Cash from obtaining original insurance contract premium			
Net cash received from reinsurance business			
Net increase in the deposits and investment of insured			
Cash from interest, handling charges and commissions			
Net increase of borrowing funds			
Net increase of repurchase of business funds			
Net cash from acting trading securities			
Refund of tax and levies		416,830,589	855,636,866
Other cash received related to operating activities		676,958,575	244,003,096
Subtotal cash inflows from operating activities		39,922,289,597	26,367,151,226
Cash paid for goods purchased and services received		30,775,739,275	19,831,977,453
Net increase of customer loans and advances			
Net increase of amount due from central bank and interbank			
Cash paid for original insurance contract claims payment			
Net increase of lending funds			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividend			
Cash paid to and for employees		2,508,297,766	2,574,314,378
Taxes and fees paid		697,045,919	594,993,030
Other cash paid related to operating activities		757,022,191	797,302,342
Subtotal cash outflows from operating activities		34,738,105,151	23,798,587,203
Net cash flows from operating activities		5,184,184,446	2,568,564,023
II. Cash flows from investment activities:			
Cash from investment withdrawal		129,548,854	17,165,758
Cash from investment income		234,193,072	159,044,219
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		105,378,156	19,391,609
Net cash from disposal of subsidiaries and other business units			
Other cash received related to investment activities		114,994,970	209,457,444
Subtotal cash inflows from investment activities		584,115,052	405,059,030
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		746,956,678	488,778,059
Cash paid for investments		18,790,000	
Net increase in hypothecated loan			
Net cash paid for obtaining subsidiaries and other business units			
Other cash paid related to investment activities			
Subtotal cash outflows from investment activities		765,746,678	488,778,059
Net cash flow from investment activities		-181,631,626	-83,719,029



Item	Note	2023	2022
III. Cash flows from financing activities:			
Cash from absorption of investments		170,101,094	98,327,900
Including: cash received from subsidiaries' absorption of minority shareholders' investment		170,101,094	98,327,900
Cash received from borrowings		26,666,299,568	38,626,275,738
Other cash received related to financing activities		1,134,318,331	618,107,748
Cash received from issuance of other equity instruments			500,000,000
Cash received from issuance of bonds			500,000,000
Subtotal cash inflows from financing activities		27,970,718,993	40,342,711,386
Cash repayments of amounts borrowed		27,644,066,754	42,832,240,800
Cash paid for distribution of dividends, profits or interest expenses		1,080,107,143	1,395,285,252
Including: dividends and profits paid by subsidiaries to minority shareholders		93,141,010	58,000,000
Other cash paid related to financing activities		1,638,264,999	838,344,871
Subtotal cash outflows from financing activities		30,362,438,896	45,065,870,923
Net cash flows from financing activities		-2,391,719,903	-4,723,159,537
IV. Impact of exchange rate movements on cash and cash equivalents		46,235,551	163,578,103
V. Net increase of cash and cash equivalents		2,657,068,468	-2,074,736,440
Plus: beginning balance of cash and cash equivalents		2,375,101,437	4,449,837,877
VI. Ending balance of cash and cash equivalents		5,032,169,905	2,375,101,437

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:

Statement of Cash Flows of the Parent Company

January to December in 2023

Prepared by: Shanghai Zhenhua Heavy Industries Co., Ltd.

Unit: Yuan Currency: CNY

Item	Note	2023	2022
I. Cash flow from operating activities:			
Cash from selling commodities or offering labor		31,008,944,150	22,387,866,565
Refund of tax and levies		300,080,487	635,424,765
Other cash received related to operating activities		636,768,375	225,294,772
Subtotal cash inflows from operating activities		31,945,793,012	23,248,586,102
Cash paid for goods purchased and services received		25,004,851,532	21,040,995,998
Cash paid to and for employees		1,351,747,671	1,321,000,912
Taxes and fees paid		207,703,416	123,242,978
Other cash paid related to operating activities		375,422,856	381,273,867
Subtotal cash outflows from operating activities		26,939,725,475	22,866,513,755
Net cash flows from operating activities		5,006,067,537	382,072,347
II. Cash flows from investment activities:			
Cash from investment withdrawal		7,801,165	17,165,758
Cash from investment income		661,183,014	236,682,551
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		30,720,458	18,283,472
Net cash from disposal of subsidiaries and other business units			
Other cash received related to investment activities			
Subtotal cash inflows from investment activities		699,704,637	272,131,781
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		179,032,663	286,375,311
Cash paid for investments		132,957,200	208,679,973
Net cash paid for obtaining subsidiaries and other business units			
Other cash paid related to investment activities			
Subtotal cash outflows from investment activities		311,989,863	495,055,284
Net cash flow from investment activities		387,714,774	-222,923,503
III. Cash flows from financing activities:			
Cash from absorption of investments			
Cash received from borrowings		24,845,294,619	36,266,553,328
Other cash received related to financing activities		1,015,336,873	611,100,376
Cash received from issuance of bonds			500,000,000
Other cash received related to financing activities			500,000,000
Subtotal cash inflows from financing activities		25,860,631,492	37,877,653,704
Cash repayments of amounts borrowed		26,172,827,571	39,402,630,672
Cash paid for distribution of dividends, profits or interest expenses		747,532,915	1,096,677,413
Other cash paid related to financing activities		1,370,807,692	500,006,220
Subtotal cash outflows from financing activities		28,291,168,178	40,999,314,305
Net cash flows from financing activities		-2,430,536,686	-3,121,660,601
IV. Impact of exchange rate movements on cash and cash equivalents			
		41,581,886	75,244,800
V. Net increase of cash and cash equivalents			
		3,004,827,511	-2,887,266,957
Plus: beginning balance of cash and cash equivalents		707,377,446	3,594,644,403
VI. Ending balance of cash and cash equivalents			
		3,712,204,957	707,377,446

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:



Consolidated Statement of Changes in Owners' Equity

January-December 2023

Unit: Yuan Currency: CNY

Item	Equity attributable to the owners of the parent company										Sub-total	Minority equity	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk preparation	Undistributed profits	Others			
I. Balance at the end of the last year	5,268,353,501	500,000,000	4,842,515,715	24,865,987	2,945,560	1,703,918,676	2,825,870,678	15,168,470,117	2,953,874,702	18,122,344,819	2,953,874,702	18,122,344,819	
Plus: changes in accounting policies													
Prior period error correction													
Others													
II. Beginning balance in current year	5,268,353,501	500,000,000	4,842,515,715	24,865,987	2,945,560	1,703,918,676	2,825,870,678	15,168,470,117	2,953,874,702	18,122,344,819	2,953,874,702	18,122,344,819	
III. Increase/decrease in the current year ("-" for decrease)			4,007,5063	34,134,315	7,579,534	7,386,369	498,907,396	588,082,677	156,508,239	744,590,976		744,590,976	
(I) Total comprehensive income			4,007,5063	34,134,315	7,579,534	7,386,369	498,907,396	588,082,677	156,508,239	744,590,976		744,590,976	
(II) Owner's invested and decreased capital			4,007,5063									691,969,995	
1. Common stock invested by the owners			59,636,398									110,464,696	
2. Capital invested by other equity instrument holders												170,101,094	
3. Amount of share-based payment included in the owner's equity													
4. Others			-19,561,335									-19,561,335	
(III) Profit distribution						7,386,369	-21,071,369	-13,685,000				-106,826,013	
1. Withdrawal of surplus reserves						7,386,369	-7,386,369						
2. Withdrawal of general risk preparation													
3. Distribution of owners (or shareholders)													
4. Others													
(IV) Internal transfer of owner's equity													
1. Capital surplus transfer to paid-in capital (or capital stock)													
2. Earned surplus transfer to paid-in capital (or capital stock)													
3. Earned surplus covering the deficit													
4. Carryforward retained earnings in variation of defined benefit plan													
5. Carryforward retained earnings of other comprehensive income													
6. Others													
(V) Special reserves					7,579,534							8,907,235	
1. Amount withdrawn in the current year					76,585,293							81,735,442	
2. Amount used in the current year					-69,005,759							-72,828,207	
(VI) Others													
IV. Balance at the end of the current year	5,268,353,501	500,000,000	4,882,590,778	59,000,302	10,525,094	1,711,305,045	3,324,778,074	15,756,552,794	3,110,383,001	18,866,935,795	3,110,383,001	18,866,935,795	

Item	2022												
	Equity attributable to the owners of the parent company												
	Paid-in capital (or share capital)	Other equity instruments	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk preparation	Undistributed profits	Others	Sub-total	Minority equity	Total owners' equity	
	Preferred stock	Perpetual bond	Others	Capital reserves	Capital reserves	Special reserves	Surplus reserves	General risk preparation	Undistributed profits	Others	Sub-total	Minority equity	Total owners' equity
I. Balance at the end of the last year	5,268,333,501	500,000,000	500,000,000	4,842,515,715	-69,355,058	1,934,676	1,679,258,496		2,767,511,301		14,990,218,631	2,659,834,389	17,650,053,020
Plus: changes in accounting policies													
Prior period error correction													
Others													
II. Beginning balance in current year	5,268,333,501	500,000,000	500,000,000	4,842,515,715	-69,355,058	1,934,676	1,679,258,496		2,767,511,301		14,990,218,631	2,659,834,389	17,650,053,020
III. Increase/decrease in the current year ("±")					94,221,045	1,010,884	24,660,180		58,359,377		178,251,486	294,040,313	472,291,799
(I) Total comprehensive income					94,221,045				371,937,232		466,158,277	253,570,641	719,728,918
(II) Owner's invested and decreased capital												98,327,900	98,327,900
1. Common stock invested by the owners												98,327,900	98,327,900
2. Capital invested by other equity instrument holders			500,000,000								500,000,000		500,000,000
3. Amount of share-based payment included in the owner's equity													
4. Others													
5. Capital reduced by other equity instrument holders			-500,000,000								-500,000,000		-500,000,000
(III) Profit distribution							24,660,180		-313,577,855		-288,917,675	-58,000,000	-346,917,675
1. Withdrawal of surplus reserves							24,660,180		-24,660,180				
2. Withdrawal of general risk preparation													
3. Distribution of owners (or shareholders)									-263,417,675		-263,417,675	-58,000,000	-321,417,675
4. Others									-25,500,000		-25,500,000		-25,500,000
(IV) Internal transfer of owner's equity													
1. Capital surplus transfer to paid-in capital (or capital stock)													
2. Earned surplus transfer to paid-in capital (or capital stock)													
3. Earned surplus covering the deficit													
4. Carryforward retained earnings in variation of defined benefit plan													
5. Carryforward retained earnings of other comprehensive income													
6. Others													
(V) Special reserves						1,010,884					1,010,884	141,772	1,152,656
1. Amount withdrawn in the current year						50,813,289					50,813,289	2,682,406	53,495,695
2. Amount used in the current year						-49,802,405					-49,802,405	-2,540,634	-52,343,039
(VI) Others													
IV. Balance at the end of the current year	5,268,333,501	500,000,000	500,000,000	4,842,515,715	24,865,987	2,945,560	1,703,918,676		2,825,870,678		15,168,470,117	2,953,874,702	18,122,344,819

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:



Statement of Changes in Owners' Equity of the Parent Company

January-December 2023

Unit: Yuan Currency: CNY

Item	Other equity instruments				Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
	Paid-in capital (or share capital)	Preferred stock	Perpetual bond	Others						
I. Balance at the end of the last year	5,268,353,501		500,000,000		4,914,468,683	20,882,527	1,703,410,403	2,745,568,782	15,152,683,896	
Plus: changes in accounting policies										
Prior period error correction										
Others										
II. Beginning balance in current year	5,268,353,501		500,000,000		4,914,468,683	20,882,527	1,703,410,403	2,745,568,782	15,152,683,896	
III. Increase/decrease in the current year ("+" for increase)					-19,561,335	10,526,809	1,422,294	7,386,369	52,792,325	
(I) Total comprehensive income						10,526,809		73,863,694	84,390,503	
(II) Owner's invested and decreased capital					-19,561,335				-19,561,335	
1. Common stock invested by the owner										
2. Capital invested by other equity instrument holders										
3. Amount of share-based payment included in the owner's equity										
4. Others					-19,561,335				-19,561,335	
(III) Profit distribution										
1. Withdrawal of surplus reserves								7,386,369	-21,071,369	
2. Distribution of owners (or shareholders)								7,386,369	-7,386,369	
3. Others									-13,685,000	
(IV) Internal transfer of owner's equity										
1. Capital surplus transfer to paid-in capital (or capital stock)										
2. Earned surplus transfer to paid-in capital (or capital stock)										
3. Earned surplus covering the deficit										
4. Carryforward retained earnings in variation of defined benefit plan										
5. Carryforward retained earnings of other comprehensive income										
6. Others										
(V) Special reserves										
1. Amount withdrawn in the current year							1,422,294		1,422,294	
2. Amount used in the current year							41,377,208		41,377,208	
(VI) Others							-39,954,914		-39,954,914	
IV. Balance at the end of the current year	5,268,353,501		500,000,000		4,894,907,348	31,409,336	1,710,796,772	2,798,361,107	15,205,250,358	

Item	2022					Total owners' equity				
	Paid-in capital (or share capital)	Other equity instruments Preferred stock	Perpetual bond	Others	Capital reserves		Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves
I. Balance at the end of the last year	5,268,353,501	500,000,000	500,000,000	4,914,468,683	4,914,468,683	-8,614,560	1,678,750,223	2,812,544,839	15,165,502,686	
Plus: changes in accounting policies										
Prior period error correction										
Others										
II. Beginning balance in current year	5,268,353,501	500,000,000	500,000,000	4,914,468,683	4,914,468,683	-8,614,560	1,678,750,223	2,812,544,839	15,165,502,686	
III. Increase/decrease in the current year ("-" for decrease)						29,497,087	24,660,180	-66,976,057	-12,818,790	
(I) Total comprehensive income						29,497,087				
(II) Owner's invested and decreased capital						29,497,087		246,601,798	276,098,885	
1. Common stock invested by the owner										
2. Capital invested by other equity instrument holders			500,000,000						500,000,000	
3. Amount of share-based payment included in the owner's equity										
4. Others										
5. Capital reduced by other equity instrument holders			-500,000,000						-500,000,000	
(III) Profit distribution							24,660,180	-313,577,855	-288,917,675	
1. Withdrawal of surplus reserves							24,660,180	-24,660,180		
2. Distribution of owners (or shareholders)								-263,417,675	-263,417,675	
3. Others								-25,500,000	-25,500,000	
(IV) Internal transfer of owner's equity										
1. Capital surplus transfer to paid-in capital (or capital stock)										
2. Earned surplus transfer to paid-in capital (or capital stock)										
3. Earned surplus covering the deficit										
4. Carryforward retained earnings in variation of defined benefit plan										
5. Carryforward retained earnings of other comprehensive income										
6. Others										
(V) Special reserves										
1. Amount withdrawn in the current year								29,362,559	29,362,559	
2. Amount used in the current year								-29,362,559	-29,362,559	
(VI) Others										
IV. Balance at the end of the current year	5,268,353,501	500,000,000	500,000,000	4,914,468,683	4,914,468,683	20,882,527	1,703,410,403	2,745,568,782	15,152,683,896	

Legal representative of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:



III. Company profile

1. Company profile

√ Applicable □ Not Applicable

Shanghai Zhenhua Heavy Industries Co., Ltd. (hereinafter referred to as “the Company”) is a joint-stock company limited established on September 8, 1997 through restructuring Shanghai Zhenhua Port Machinery Company Limited (hereinafter referred to as “Zhenhua Company”). Both the registration place and the address of the headquarters are in Shanghai City, P. R. China.

As approved by ZWFZ (1997) No.42 Document issued by the Securities Commission under the State Council, the Company issued 100 million domestically-listed shares held by the foreign investors (B-share) from July 15, 1997 till July 17, 1997. The B-shares were listed for trading at Shanghai Stock Exchange on Aug. 5, 1997.

As approved by ZJFXZ (2000) No. 200 Document of China Securities Regulatory Commission, the Company additionally issued of 88 million common shares (RMB denominated) (A-share) held by the domestic investors in December 2000. The A-shares were listed for trading at Shanghai Stock Exchange on Dec. 21, 2000.

As approved by ZJFXZ (2004) No.165 Document of China Securities Regulatory Commission, the Company additionally issued 114,280,000 A-shares held by the domestic investors on December 23, 2004. The additionally issued A-shares were listed at Shanghai Stock Exchange respectively for trading on December 31, 2004 and January 31, 2005.

As approved by ZJFXZ (2007) No. 346 Document of China Securities Regulatory Commission, the Company additionally issued 125,515,000 A-shares held by the domestic investors on October 15, 2007. The additionally issued A-shares were listed at Shanghai Stock Exchange for trading on October 23, 2007 and January 23, 2008 respectively.

As approved by ZJXKZ (2009) No.71 Document of China Securities Regulatory Commission, the Company privately placed 169,794,680 A-shares on Sept. 22, 2008 to its controller China Communications Construction Co., Ltd. (hereinafter referred to as “China Communications Corporation”). A-shares privately placed were the tradable shares with limited trading conditions. From Mar. 20, 2012 on, the term of trading limitation expired for above-mentioned A-shares which were listed at Shanghai Stock Exchange for trading.

By December 31, 2023, after all issuances of the shares and bonus shares distributed in the past year, the total shares of the Company amounted to 5,268,353,501 shares, par value per share was RMB 1. The share capital totaled up to RMB 5,268,353,501.

On December 18, 2005, China Road and Bridge Construction Group General Company and the Company’s former controlling shareholder China Harbor Construction (Group) General Company were merged into China Communications Construction (Group) Co. Ltd after restructuring (hereafter referred to as “CCCCG”). In accordance with the Official Reply to Overall Reorganization and Overseas-listed and Domestically-listed Share of China Communications Construction Co., Ltd. (GZGG [2006] No.1063 Document) by State-owned Assets Supervision and Administration Commission of the State Council on Aug. 16, 2006, the reorganization proposal of China Communications Construction (Group) Co., Ltd approved in the Official Reply to the Issues Concerning Management of State-owned Stock Equity of China Communications Construction Co., Ltd. (GZCQ [2006] No.1072 Document) on Sept. 30, 2006 and the Official Reply to Approval of China Communications Construction Co., Ltd.’s Announcement of Purchase Report of Road and Bridge Construction Co., Ltd. and Shanghai Zhenhua Port Machinery (Group) Co., Ltd. and Exemption of Their Obligations for Purchase by Offer (ZJGSZ [2006] No. 227 Document), CCCC solely initiated the incorporation of China Communications Construction Co., Ltd. on Oct. 8, 2006 and invested the stock equity of the Company held into the newly incorporated China Communications Co., Ltd. With the completion of reorganization, China Communications Co., Ltd thus became the controlling shareholder of the Company.

In 2016, the Company was granted the Uniform Social Credit Code of 91310000607206953D.

On July 18, 2017, the board of directors of China Communications Construction Co., Ltd. discussed and approved the Proposal for Transfer of Some Shares of Shanghai Zhenhua Heavy Industries (Group) Co., Ltd by Agreement and Associated Transaction and agreed to transfer totally 1,316,649,346 shares of this Company held by it to CCCC and

CCCG (Hong Kong) Holdings Co., Ltd. (hereinafter referred to as “CCCG Hong Kong”), accounting for 29.990% of the total shares of this Company, after that, China Communications Construction Co., Ltd. held 16.239% of the stock equity of this Company. The transfer and registration of shares was accomplished on December 27, 2017. On the date of the transfer of shares, CCCG directly held 552,686,146 A-shares of this Company (accounting for 12.589% of the total shares of this Company), indirectly held 763,963,200 B-shares of this Company through CCCG (Hong Kong) (accounting for 17.401% of the total shares of the Company) and held 712,951,703 A-shares of this Company through China Communications Construction Co., Ltd. (accounting for 16.239% of the total shares of this Company), as a result, it became the controlling shareholder of the Company.

The Company and its subsidiaries (hereinafter collectively referred to as “the Group”) were mainly engaged in design, construction, installation and contracting of large-sized port handling system and equipment, offshore heavy-duty equipment, engineering machinery, engineering vessel and large-sized metal structural members and their parts and components; sales of the self-produced products; international shipment by available special transportation vessel and specialized contracting for steel structure engineering.

The financial statements have been approved by the resolution of the Board of Directors of the Company on March 28, 2024.

IV. Basis of preparation for financial statements

1. Basis of preparation

This financial statements take continuous operation as preparation basic.

2. Basis of preparation

Applicable Not Applicable

These financial statements are prepared on the historical cost principle, except for some financial instruments. If the assets are impaired, corresponding impairment provision should be accrued according to relevant provisions.

V. Principal accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips

Applicable Not Applicable

The Group determines the specific accounting policies and accounting estimates based on actual production and operation characteristics, which are mainly reflected in the inventory valuation methods, income recognition and measurement and so on.

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

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the financial position, operating results, changes in shareholders’ equity and cash flows of the Company.

2. Accounting period

The Company adopts calendar year as the accounting year, which commences on January from the 1, and ends on December 31 of each year.

3. Operating cycle

Applicable Not Applicable



4. Functional currency

RMB is the recording currency of the Group and also the currency used in the financial statements. Unless otherwise specified, the financial statements are presented in RMB.

The subsidiaries, joint ventures and associates under the Group shall, on the basis of the main economic environment in which they operate, decide their own recording currency, and convert them into RMB when preparing financial statements.

5. Determination method and selection basis of significance standards

√ Applicable □ Not Applicable

Item	Significance standards
Significant receivables with provision for bad debts accrued on an individual basis	The amount of provision accrued on an individual basis accounts for more than 10% of the total bad debts provision of various receivables and the amount is greater than RMB 40 million
Other significant receivables with provision for bad debts accrued on an individual basis	The amount of provision accrued on an individual basis accounts for more than 10% of the total bad debt provision of various other receivables and the amount is greater than RMB 40 million
Significant recovery and reversal of bad debt provision for receivables	The amount of individual recovery or reversal accounts for more than 10% of the total amount of various receivables and the amount is greater than RMB 40 million
Significant actual write-off receivables	The amount of individual write-off accounts for more than 10% of the total bad debt provision of various receivables and the amount is greater than RMB 40 million
Significant changes in the book value of contract assets	The amount of change in the book value of contract assets accounts for more than 30% of the balance of contract assets at the beginning of the period
Significant contractual liability with the aging over more than 1 year	An individual contractual liability with the aging over 1 year accounts for more than 10% of the total contract liabilities and the amount is greater than RMB 100 million
Significant changes in the book value of contractual liability	The amount of change in the book value of contractual liability accounts for more than 30% of the balance of contractual liability at the beginning of the period
Significant accounts payable	An individual account payable with the aging over 1 year accounts for more than 10% of the total accounts payable and the amount is greater than RMB 100 million
Other significant payables	An individual other account payable with the aging over than 1 year accounts for more than 10% of the total accounts payable and the amount is greater than RMB 100 million
Significant construction in progress	The budget of a single project is greater than RMB 300 million
Significant estimated liabilities	Estimated liabilities of a single type account for more than 10% of the total estimated liabilities and the amount is greater than RMB 100 million
Major non-wholly-owned subsidiaries	The net assets of a subsidiary account for more than 5% of the net assets of the group, or the minority interests of a single subsidiary account for more than 1% of the net assets of the group and the amount is greater than RMB 100 million
Significant capitalized R&D projects	The ending balance of a single project accounts for more than 10% of the ending balance of development expenditure and the amount is greater than RMB 100 million
Significant outsourced research projects	A single project accounts for more than 10% of the total R&D investment
Significant contract changes	The amount of changes/adjustments accounts for more than 30% of the original contract amount, and the amount of impact on the current period's revenue accounts for more than 1% of the total revenue of the current period
Significant investment activities	An individual investment activity accounts for more than 10% of the total cash inflows or outflows received or paid for investment activities And the amount is greater than RMB 300 million
Equity in joint ventures and associates	The book value of long-term equity investment in a single investee accounts for more than 5% of the group's net assets and the amount is greater than RMB 100 million, or the investment profit and loss of long-term equity investment under the equity method accounts for more than 10% of the group's consolidated net profit
Significant subsidiaries	The net assets of a subsidiary account for more than 5% of the group's net assets, or the net profit of a subsidiary accounts for more than 10% of the group's consolidated net profit
Major activities not involving current cash receipts and payments	Activities that do not involve current cash receipts and payments, and have an impact on current statements greater than 10% of net assets, or are expected to have an impact on future cash flows greater than 10% of the corresponding total cash inflows or outflows

6. Accounting treatment of business combination under common control and not under common control

√ Applicable □ Not Applicable

Business combination under common control

The business combination under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination and on which the control is not temporary.

The assets and liabilities that the combining party obtains in a business combination under common control (including the goodwill formed by the acquisition of the combined party by the ultimate controlling party), are subject to the corresponding accounting treatment in accordance with the carrying amount in the financial statements of the ultimate controlling party on the combination date. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid (or total par value of the shares issued) for the combination is treated as an adjustment to capital premium in the capital reserves and the capital reserves carried out under the former system. If the capital premium is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

Business combination not under common control

The business combination not under common control is a business combination in which all of the combining enterprises are not controlled by the same party or the same parties before and after the combination.

Regarding consolidation not under the same control, the recognizable assets, liabilities and contingent liabilities of the seller are measured upon fair value on the purchase day. The balance of the consolidation costs greater than the fair value of the recognizable net assets of the seller is confirmed as goodwill, and subsequently measured at cost less accumulated impairment losses. In case the consolidation costs are less than the fair value of the recognizable net assets of the seller, the fair value of all recognizable assets, liabilities and contingent liabilities of the seller, and the measurement of the consolidation costs is re-examined; the balance between the consolidation costs less than the fair value of recognizable net assets of the seller after the re-examination is recognized in current profits and losses.

7. Judgment criteria of control and preparation method of consolidated financial statements

√ Applicable □ Not Applicable

The consolidation scope of the consolidated financial statements is determined based on control and includes the financial statements of the Company and all of its subsidiaries. Subsidiary refers to the entity controlled by the Company (including separable parts of enterprises and the invested entity as well as structured entities controlled by the Company). If and only if the three elements below are met, it can be deemed that an investor controls an invested party: the investor possesses the power over the invested party; the investor is entitled to changeable returns due to participation in related activities of the invested party; the investor has the ability to influence the amount of return by exercising its power over the invested party.

If the accounting policies or accounting periods adopted by the subsidiary and the Company are inconsistent, when preparing the consolidated financial statements, the necessary adjustments shall be made to the subsidiary's financial statements based on the accounting policies and accounting periods of the Company. The assets, liabilities, interests, incomes, expenses and cash flow incurred by transactions among the Group are offset in full upon consolidation.

If the current losses borne by the minority shareholders of the subsidiary exceed the shares held by the minority shareholders in the initial shareholders' equity of the subsidiary, the balance still offsets the minority's equity.

For the subsidiaries acquired in business combination not under common control, the operating results and the cash flows of the acquiree shall be included in the consolidated financial statements on the date of acquisition of control till the termination of control. When preparing the consolidated financial statements, the financial statements of subsidiaries shall be adjusted based on the fair value of various identifiable assets, liabilities and contingent liability confirmed on the acquisition date.

For the subsidiaries acquired in business combination under common control, the operating results and the cash flows



of the combined party shall be included in the consolidated financial statements at the beginning of the combination period. When preparing the consolidated financial statements, relevant items of the previous financial statements shall be adjusted and the reporting entity formed after the consolidation is regarded as existed since the ultimate controlling party begins to implement control.

If changes in the relevant facts and circumstances lead to changes in one or more control elements, the Group will re-evaluate whether or not the investee is controlled.

Without lose of the control right, change of the minority equity is deemed as capital transaction.

8. Classification of joint venture arrangement and methods of joint operation accounting treatment

Applicable Not Applicable

9. Recognition criteria of cash and cash equivalents

Cash is the Group's cash on hand and the deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group that are readily convertible to known account of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency transactions and transaction of financial statements denominated in foreign currency

Applicable Not Applicable

In the case of a foreign currency transaction, the Group translates the amount of foreign currency into the amount of the recording currency.

At the time of initial recognition, the amount of foreign currency transaction shall be translated into the amount of the recording currency at the spot rate of the transaction date (unless exchange rate fluctuations make the use of such exchange rate inappropriate, in which case the spot exchange rate on the transaction date will be used for conversion), but the capital invested by the investor in a foreign currency shall be converted using the spot exchange rate on the transaction date. On the date of balance sheet, the currency exchange rate of the currency denominated items shall be translated at the spot rate on the date of balance sheet. The transaction difference of settlement and monetary items arising therefrom, in addition to the difference arising from foreign currency special borrowing relating to the assets of which the purchase and construction conform to the capitalized conditions, which shall be handled in accordance with the principle of capitalization of borrowing costs, shall be included in the current profit or loss. The foreign currency non-currency items calculated on historical cost basis are still translated at exchange rate at the initial recognition not changing the amount of its recording currency. The foreign currency non-monetary items measured at fair value shall be translated at the spot rate on fair value determination date, and the difference arising therefrom shall be included in the current profit or loss or other comprehensive income according to the nature of the non-monetary items.

In the case of overseas business, the Group translates its recording currency into RMB in preparing the financial statements: for assets/liabilities in the balance sheet, spot exchange rate on the date of balance sheet is used for translation. As for the items under the shareholders' equity, except for those under "undistributed profits", other items are translated using the spot exchange rate at the time of occurrence; the income and expense items in the income statement shall be translated at the spot exchange rate of the transaction. The conversion difference of foreign currency statements arising from above translation shall be recognized as other comprehensive income. When disposing overseas operations, other comprehensive income related to the overseas operation shall be transferred into the current profits and losses, partial disposal shall be calculated according to the proportion of disposal.

Foreign currency cash flows shall be translated at the spot exchange rate on the day of occurrence of the cash flow. Cash flows from foreign subsidiaries are translated at the average exchange rate for the period in which the cash flows occur (unless exchange rate fluctuations make translation at that rate inappropriate, in which case the exchange rate is the spot rate on the day of occurrence of the cash flow). Effect of changes in exchange rate on cash amount is shown separately in the cash flow statements as an adjustment item.

11. Financial instruments

√ Applicable □ Not Applicable

Financial instrument is the contract that forms the financial assets of an enterprise and the financial liabilities or equity instruments of the other entities.

Recognition and de-recognition of financial instruments

The Group recognizes a financial asset or financial liability when becoming a party to a financial instrument contract.

Once the following conditions are satisfied, the Group will de-recognize financial assets (or part of financial assets or of a portfolio of similar financial assets), i.e., writing off from its account and balance sheet:

- (1) The right to receive cash flows from financial assets expires;
- (2) The right to receive the cash flow from financial asset has been transferred, or have assumed the obligation in the “pass-through agreement” to pay the collected cash flow timely to the third party in full; and has transferred substantially almost all the risks and rewards of ownership of the financial asset, or although does not transfer or retain substantially nearly all of the risks and rewards of ownership of the financial asset, but has given up the control over the financial asset.

In the event that the liability of a financial liability has been fulfilled, cancelled or expired, the financial liabilities shall be de-recognized. If the existing financial liability is replaced by the same creditor with another financial liabilities of virtually entirely different terms, or the terms of the existing liabilities are almost entirely modified substantially, such substitutions or modifications will be handled as the derecognition of the original liability and the recognition of new liabilities, and the difference will be included in current profit or loss.

In case of trading financial assets in the conventional way, such financial assets will be recognized and de-recognized on the trading day. Trading financial assets in the conventional way refers to purchasing or selling financial assets in accordance with the terms and conditions of the contract, and delivering financial assets within the time limit prescribed in the law or the prevailing practice in accordance with the terms and conditions of the contract. Trading day is the date on which the Group commits to buy or sell financial assets.

Classification and measurement of financial assets

At the initial recognition, the Group’s financial assets, based on the Group’s management model of financial assets and the contract cash flow characteristics of financial assets, are classified as financial assets measured at amortized cost, financial assets measured at fair value through the other comprehensive income and financial assets measured at fair value through the current profit or loss.

Financial assets are measured at fair value at initial recognition, while the accounts receivable or notes receivable arising from sales of goods or rendering of services, excluding the significant financing composition or the financial composition for over one year, are initially measured at the transaction price.

For financial assets measured at fair value through the current profit or loss, relevant transaction costs are directly included in the current profit or loss, while the transaction costs relevant to other financial assets are included in the initial recognition amount.

The subsequent measurement of financial assets depends on the classification thereof:

Investment in debt instruments measured at amortized cost

Financial assets simultaneously meet the following conditions are classified as the financial assets measured at amortized cost: the management model of such financial assets aims at the collection of contract cash flows; according to the terms in the contract for such financial assets, the cash flows generating on the special date are paid at the interest for the principal and the unpaid principal. Such financial assets are recognized as interest income by the effective rate method, and the gains or losses from the derecognition, modification or impairment thereof are included in the current profit or loss.

Investment in debt instruments measured at fair value through other comprehensive income

If financial assets meet the following conditions at the same time, the Group classifies them as financial assets at fair value through other comprehensive income: the Group’s business model for the management of the financial assets is aimed

at both the collection of contract cash flow and the sale of the financial assets; the contractual terms of the financial asset stipulate that the cash flow generated at a particular date is only the payment of the principal and interest based on the outstanding principal amount. The interest income of such financial assets is recognized by the effective interest method. At derecognition of financial assets, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the current profit or loss.

Investment in equity instruments measured at fair value through the other comprehensive income

The Group irrevocably chooses to designate some non-trading equity instruments as the financial assets measured at fair value through the other comprehensive income, and only include the relevant dividends revenue (except for that partially recovered as the investment cost) in the current profit or loss, and the subsequent changes in fair values in the other comprehensive income, without the provision for impairment. At derecognition of financial assets, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the retained earnings.

Financial assets measured at fair value through the current profit or loss

The financial assets other than the financial assets measured at amortized cost and the financial assets measured at fair value through the other comprehensive income are classified as the financial assets measured at fair value through the other comprehensive income. For such financial assets, the subsequent measurement is made at fair value, and changes in fair value are included in the current profit or loss.

Classification and measurement of financial liabilities

At the initial recognition, the Group's financial liabilities are classified as: financial liabilities measured at fair value through the current profit or loss and financial liabilities measured at amortized cost. For financial liabilities measured at fair value through the current profit or loss, relevant transaction costs are directly included in the current profit or loss, while the transaction costs relevant to financial liabilities measured at amortized cost are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on the classification thereof:

Financial liabilities measured at fair value through the current profit or loss

Financial liabilities measured at fair value through the current profit or loss include the trading financial liabilities (including the derivative instruments belonging to financial liabilities), and the financial liabilities measured at fair value through the current profit or loss. The subsequent measurement of the trading financial liabilities (including the derivative instruments belonging to financial liabilities) is made at fair value, and changes in fair value are included in the current profit or loss. For the financial liabilities measured at fair value through the current profit or loss, the subsequent measurement is made at fair value, and the changes in fair value are included in the current profit or loss except that the changes in fair value caused by the changes in the Group's credit risks are included in the other comprehensive income; if including the changes in fair value caused by the changes in the Group's credit risks in the other comprehensive income may cause or exacerbate the accounting mismatch in profit or loss, the Group will include all changes in fair value (including the amounts affected by the changes in the Group's credit risks) in the current profit or loss.

Financial liabilities measured at amortized cost

The subsequent measurement of such financial liabilities is made at amortized cost by the effective rate method.

Impairment of financial instruments

Based on the expected credit losses, the Group makes the provision for impairment and recognizes the loss provisions for the financial assets measured amortized cost and the investment in debt instruments measured at fair value through the other comprehensive income.

For the receivables excluding significant financing component, the Group measures the loss provision based on the amount equivalent to the expected credit loss over the whole duration by the simplified measurement method.

Except for the above financial assets subject to the simplified measurement method, on each balance sheet date, the Group makes assessment on whether the credit risk in financial assets has had significant increase after the initial recognition. If the credit risk does not significantly increase after the initial recognition, standing at the first level, the Group will measure the loss provision based on the amount of expected credit loss over the next 12 months , and

calculate the interest income based on the book balance at the effective interest rate; if the credit risk has significantly increased after the initial recognition without any credit impairment, standing at the second level, the Group will measure the loss provision based on the amount equivalent to the expected credit loss over the whole duration; in case of any credit impairment after the initial recognition, standing at the third level, the Group will measure the loss provision based on the amount of expected credit loss over the whole duration, and calculate the interest income based on the amortized cost at the effective interest rate. For financial instruments only with relatively low credit risk on the balance sheet date, the Group assumes that such credit risk does not significantly increase after the initial recognition.

The Group evaluates the expected credit loss of financial instruments individually and by portfolio. After taking the credit risk characteristics of different customers into account, based on common risk characteristics, the Group evaluated the expected credit loss on accounts receivable and contract assets by the aging portfolio. The Group determined the aging of accounts receivable based on the date on which the accounts receivable were recorded. Except for the aforementioned financial instruments for which expected credit losses were assessed by portfolio, the Group assessed their expected credit losses individually. The Group recognized accounts receivable and contract assets of customers who encountered financial difficulties or have contract disputes as assets for provision accrued on an individual basis. The basis for making provisions by portfolio was to classify customers with similar credit risk characteristics into the same portfolio based on the nature of the customers.

For the Group's disclosure of the judgment standards for significant increase of credit risk and definition of assets with credit impairment, see Note V for details.

The factors reflected in the Group's approach to measuring expected credit losses on financial instruments include the unbiased probability weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and substantiated information about past events, current conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

When the Group ceases to expect reasonably the contract cash flows of financial assets which can be recovered in whole or in part, the Group will directly write off the book balance of such financial assets.

Financial instrument offset

Financial assets and financial liabilities are presented in the balance sheet at the net amount after mutual offset when the following conditions are met simultaneously: possess the legal right to offset the recognized amount and such right is currently executable; intend to settle at net amount, or cash such financial assets or liquidate such financial liabilities.

Transfer of financial assets

If the Group has transferred nearly all the risks and rewards associated with the ownership of financial assets to the transferee, such financial assets will be de-recognized; if the Group retains nearly all the risks and rewards associated with the ownership of financial assets, such financial assets will be continuously recognized.

If the Group neither transfers nor retains nearly all the risks and rewards associated with the ownership of the financial assets, the following treatments will be adopted based on different circumstances: if the Group has given up its control over the financial assets, the financial assets will be derecognized, and the assets and liabilities arising therefrom will be recognized; if the Group does not give up its control over the financial assets, the financial assets will be recognized to the extent of its continuing involvement in the transferred financial assets, while relevant liabilities are recognized accordingly.

12. Notes receivable

Applicable Not Applicable

13. Accounts receivable

Applicable Not Applicable

14. Receivables financing

Applicable Not Applicable



15. Other receivables

Applicable Not Applicable

16. Inventories

Applicable Not Applicable

Inventory categories, delivery pricing methods, inventory management systems, and amortization methods for low-value consumables and packaging materials

Applicable Not Applicable

Inventories include the raw materials, outsourcing components and parts, goods in process and stock commodities.

Inventories are initially measured at the cost. The inventory cost includes the procurement cost, processing cost and other cost. The actual cost of raw materials in transit is determined by the weighted average method. The actual cost of finished products in transit is determined by the weighted average method and individual valuation method.

Perpetual inventory system is adopted for inventories.

Contract performance cost classified as current assets is detailed in inventories.

Method of recognizing and accruing provision for inventory depreciation

Applicable Not Applicable

On the balance sheet date, the inventory is measured at its cost or its net realizable value, whichever is lower; if the cost is higher than the net realizable value, the provision for inventory depreciation will be made and included in the current profit or loss. The net realizable value, in the routine activities, refers to amount of the estimated selling price of inventory minus the estimated cost to completion, estimated selling expense and relevant taxes and surcharges. At the time of making the provision for inventory depreciation, the provision for depreciation of raw materials is made by category, and that of goods in process and stock commodities is made by each single inventory item.

The portfolio categories and determination basis for making accruing provision inventory depreciation according to the portfolio, and the determination basis for the net realizable value of different categories of inventory

Applicable Not Applicable

The calculation method and determination basis of the net realizable value of inventory based on inventory aging

Applicable Not Applicable

17. Contract assets

Applicable Not Applicable

Recognition method and criteria of contract assets

Applicable Not Applicable

The Group presents contract assets or liabilities in the balance sheet according to the relationship between the fulfillment of performance obligations and customer payments. After offsetting the contract assets and contract liabilities under the same contract, the Group presents them in net amount.

Contract assets

Contract assets refer to the right to receive consideration for goods or services transferred to customers, and the right depends on factors other than the passage of time.

For details of the Group's determination and accounting treatment method of expected credit loss of contract assets, please refer to Note V (11).

Determination and accounting treatment of the expected credit loss of contract assets

Applicable Not Applicable

Portfolio categories and determination basis for provisions for bad debts based on credit risk characteristics

Applicable Not Applicable

Aging calculation method based on aging recognition of credit risk characteristics portfolio

Applicable Not Applicable

Judgment criteria for determination of provision accrued on an individual basis based on the provision for bad debts accrued on an individual basis

Applicable Not Applicable

18. Held-for-sale non-current assets or disposal groups

Applicable Not Applicable

Recognition criteria and accounting treatment methods for held-for-sale non-current assets or disposal groups

Applicable Not Applicable

Recognition criteria and presentation methods for discontinuing operation

Applicable Not Applicable

19. Long-term equity investments

Applicable Not Applicable

Long-term equity investments include the equity investments in subsidiaries, joint ventures and associates.

Long-term equity investments are initially measured at the initial investment cost. The initial investment cost of a long-term equity investment acquired through the business combination under common control is recognized at book value of owners' equity acquired from the combinee on the combination date in the consolidated financial statements of the ultimate controller; the difference between the initial investment cost and the book value of the combination consideration is used to adjust the capital reserves (if the capital reserves are insufficient to offset, the retained earnings will be offset).

The initial investment cost of a long-term equity investment acquired through business combination not under common control is recognized at the combination cost (if the business combination not under common control is realized through several transactions by step, the sum of the book value of the equity investment of the acquiree held before the acquisition date and the cost of investment newly added on the acquisition date is recognized as the initial investment cost). For long-term equity investments acquired not through business combination, their initial investment costs are determined by the following ways: if the long-term equity investment is acquired through cash payment, the initial investment cost will be the sum of the acquisition price actually paid and the costs, taxes and other necessary costs, which are directly relevant to the long-term equity investment; if the long-term equity investment is acquired by issuing equity securities, the initial investment cost will be the fair value of the equity securities issued.

The long-term equity investments where the Company could control the investee shall be accounted in individual financial statements of the Company under the cost method. Control means the power owned over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to affect its return by using the power over the investee.

Under the cost method, long-term equity investments are valued at initial investment cost. The Company shall increase or recover the investment to adjust the cost of long-term equity investments. Cash dividends or profits declared and distributed by the investee should be recognized as investment income in the current period.

If the Group has joint control over or significant influence on the investees, long-term equity investments are accounted for with the equity method. Joint control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control, the formulation of



such policies with other parties.

For long-term equity investments measured under the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, the initial costs of the long-term equity investments shall be recognized; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

Where the equity method is adopted, after the long-term equity investments are acquired, the Company shall, according to the shares of net profit and loss and other comprehensive income realized by the investee which the Company shall enjoy or bear, recognize the profit and loss on the investments and other comprehensive income and adjust the book value of the long-term equity investments. When recognizing the share of net profit or loss of the investee that the Group shall enjoy, based on fair value of various identifiable assets and others of the investee on acquisition and according to accounting policies and accounting periods of the Group, the Group shall write off the part of incomes from internal transactions with associates and joint ventures which are attributable to the investor according to the shareholding ratio (but the loss from internal transactions is the asset impairment loss, its total amount shall be recognized) and then recognize the profit and loss on investments on such basis, except those assets investments or sale constitute business. The Group shall, in the light of the profits or cash dividends that the investee declares to distribute, calculate the part it should share and reduce the book value of the long-term equity investment correspondingly. Recognition of the net loss in the investee shall be within the limit that the book value of long-term equity investments and other long-term interests which substantially form the net investment in the investee are reduced to zero, unless the Group is obliged to bear extraneous losses; For other changes in shareholder's equity of the investee excluding net losses or profits, other comprehensive income or profit distribution, the book value of long-term equity investments will be adjusted and included in shareholder's equity.

20. Investment properties

(1). If the cost measurement model is adopted:

Depreciation or amortization method

Investment property refers to the real estate held for generating rent and/or capital appreciation.

The investment property shall be initially measured at cost. Subsequent expenses related to investment properties, if the economic benefits associated are likely to flow in and its cost can be measured reliably, should be recorded in the cost of investment property. Otherwise, such subsequent expenses should be included in current profits or losses upon occurrence.

The subsequent measurement of an investment property shall be conducted by the Group under the cost method, and the land use right and buildings shall be amortized and depreciated according to the expected useful life and net residual rate of the investment property. The expected useful lives, net residual value rate and annual depreciation (amortization) rate of the investment properties are as follows:

	Estimated useful lives	Estimated net residual value rate	Annual depreciation (amortization) rate
Buildings	30 years	0%	3.3%
Land use right	Land useful lives	0%	Determined according to the estimated net residual value and useful life for the land useful lives

The Group shall review estimated useful lives, estimated net residual value and depreciation (amortization) methods of the investment properties at the end of each year and shall make adjustment when necessary.

When an investment property is changed for self-use, upon change, the investment property shall be converted into fixed assets or intangible assets. When the self-use property is changed to earn rentals or for capital appreciation, upon change, fixed assets or intangible assets shall be converted into investment properties. When there is a conversion, the book value before the conversion shall be regarded as the book value after the conversion.

21. Fixed assets

(1). Recognition criteria

Applicable Not Applicable

Fixed assets will only be recognized when the economic benefits relating to the fixed assets may flow into the Group and the costs of the fixed assets can be measured reliably. If the subsequent disbursements relevant to a fixed asset meet the recognition conditions, they shall be recorded in the cost of fixed asset, and the book value of the replaced part shall be derecognized; otherwise, they shall be recorded in the current profits and losses.

Fixed assets are initially measured at cost. The costs of externally acquired fixed assets comprise their purchase prices, related taxes and surcharges and any attributable expenditure incurred to prepare the asset for its intended use.

(2). Depreciation method

Applicable Not Applicable

Category	Depreciation method	Useful lives (year)	Residual value rate	Annual depreciation rate
Buildings and constructions	Straight-line method	20-40 years	0%	2.5%-5%
Mechanical equipment	Straight-line method	3-20 years	0%	5%-33.3%
Office and electronic equipment	Straight-line method	3-5 years	0%	20%-33.3%
Transportation facilities (excluding ship)	Straight-line method	5 years	0%	20%
Ship	Straight-line method	10-30 years	5%/10%	3%-9.5%

The Group shall review useful lives, estimated net residual value and depreciation methods of the fixed assets at the end of each year and shall make adjustment when necessary.

22. Construction in progress

Applicable Not Applicable

The Group recognizes the cost of the construction in progress at the actually incurred expenditures, including all types of necessary expenditures incurred during the construction period, the capitalized borrowing costs incurred prior to the time when the construction is brought to the expected conditions for use and other relevant costs.

The construction in progress is converted into fixed assets after it reaches the expected conditions for use.

Standard for carrying forward fixed assets	
Buildings and constructions	Houses and buildings have passed the preliminary acceptance and reached the expected usable state, or they are actually put into use, whichever is earlier
Mechanical equipment	They meet the design requirements or are actually put into use after installation and commissioning, whichever is earlier
Office and electronic equipment	They meet the design requirements or are actually put into use after installation and commissioning, whichever is earlier
Transportation facilities (excluding ship)	They meet the design requirements or are actually put into use after installation and commissioning, whichever is earlier
Ship	They meet the design requirements or are actually put into use after installation and commissioning, whichever is earlier

23. Borrowing costs

Applicable Not Applicable

The borrowing costs that can directly attributable to the acquisition and construction or production of assets complying with the capitalization conditions, shall be capitalized and other borrowing costs shall be included into current profit and loss.

When capital expenditure and borrowing costs have incurred and acquisition and construction or production activities necessary for the assets to reach the intended use or sale has begun, the Company will capitalize borrowing costs.

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. The borrowing costs incurred thereafter shall be included in the current profit or loss.

During the period of capitalization, the capitalized amount on interest of each accounting period shall be determined in accordance with the following provisions: The interest of special borrowings to be capitalized should be determined according to the actually incurred interest expenses in the current period less the interest income on deposits or the investment income; the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the weighted average rate of used general borrowings.

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted due to the matters other than necessary procedures for such assets to reach the working conditions for its intended use or sale and such circumstance lasts for more than three months, the capitalization of borrowing costs should be suspended. Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the asset restarts.

24. Biological assets

Applicable Not Applicable

25. Oil and gas assets

Applicable Not Applicable

26. Intangible assets

(1). The useful life and its judgment basis, estimation conditions, amortization method, or review procedures

Applicable Not Applicable

The useful life of intangible assets is as follows at the straight-line method over its useful life.

	Useful life	Judgment basis
Land use right	Land useful lives	The period of land use rights
Software use fees	5 years	Service life of software
Proprietary technology	10 years	The expected service life in combination with the product lifecycle

(2). Allocation scope and related accounting method for R&D expenditure

Applicable Not Applicable

The Group's expenditures for its internal research and development projects are classified into research expenditures and development expenditures. The expenditures in research phase will be included in the current profit or loss on occurrence. The development expenditures will be capitalized only when all of the following conditions are satisfied simultaneously: It is feasible technically to finish intangible assets for use or sale; It is intended to finish and use or sell the intangible assets; The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and the expenditures attributable to the intangible asset during its development phase can be measured reliably. Development expenditures that do not meet the above conditions are included in the current profit or loss on occurrence.

27. Long-term asset impairment

Applicable Not Applicable

The Group recognizes the asset impairment under the following methods except for inventories, contract assets and

assets related to contract cost, deferred income tax, financial assets and assets held for sale. The Group shall, on the balance sheet date, make a judgment on whether there is any indication that the assets may impair. If such indication does exist, the Group shall estimate the recoverable amount and carry out an impairment test. Impairment tests for goodwill caused by business combination, intangible assets with indefinite useful lives, and intangible assets not reaching usable condition shall be conducted at the end of every year whether they have signs of impairment or not.

The recoverable amounts of assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The Group shall, on the basis of single item assets, estimate the recoverable amount. Where it is difficult to do so, it shall determine the recoverable amount of the group assets on the basis of the asset group to which the asset belongs. The recognition of an asset group shall base on whether the main cash inflow generated from the asset group is independent of those generated from other assets or other group assets.

Where the recoverable amount of an asset or an asset group is lower than its book value, the book value of the asset or asset group shall be written down to their recoverable amounts. The write-downs are recorded into the current profit or loss and the provision for asset impairment are made accordingly at the same time.

When the Company makes an impairment test of goodwill, it shall, as of the purchasing day, apportion the book value of the goodwill to the relevant asset groups or combination of asset groups by a reasonable method. The related asset group or combination of asset groups shall be the asset group or combination of asset groups that can benefit from the synergy effect of business combination, and shall be smaller than the operating segments as determined by the Group.

The asset group or combination of asset groups containing the goodwill shall be compared by their carrying value and recoverable amount, and if the recoverable amount is less than carrying value, the amount impairment loss is first allocated to offset the carrying value of the goodwill in the asset group or the combination of asset groups, and then will be used to offset the carrying value of other assets pro rata in accordance with the proportion of the carrying value of other assets other than goodwill in the asset groups and that of the combination of asset groups.

Once the loss of assets impairment is recognized, it is not allowed to be reversed even if the value can be recovered in subsequent period.

28. Long-term deferred expenses

Applicable Not Applicable

Long-term deferred expenses shall be amortized at the straight-line method, and the amortization period is set out as follows:

	Amortization period
Improvement of fixed assets acquired under the operating lease	Expected beneficial period

29. Contract liabilities

Applicable Not Applicable

The Group presents contract assets or liabilities in the balance sheet according to the relationship between the performance of contract obligations and customer payments. After offsetting the contract assets and contract liabilities under the same contract, the Group presents them in net amount.

For details of the Group's determination and accounting treatment method of expected credit loss of contract assets, please refer to Note V.

Contract liabilities

Contract liability refers to the obligation to transfer goods or services to customers for the consideration received or receivable from customers, such as the money received by enterprises before transferring the promised goods or services.

30. Employee compensation

Employee benefits refer to compensations and other expenditures in any form paid by the Group as a consideration



for the services provided by its staff or for employment termination. Employee remuneration includes short-term remuneration, welfare after demission, dismissal welfare and other long-term welfare.

(1). Accounting treatment of short-term compensation

Applicable Not Applicable

During the accounting period of an employee providing services, the short-term compensation actually incurred is recognized as liabilities and includes them in the current profit or loss or the related asset costs.

(2). Accounting treatment of post-employment benefits

Applicable Not Applicable

The employees of the Group participated in the endowment insurance and unemployment insurance managed by the local government, and also participated in the enterprise annuity, and the corresponding expenses were included in the relevant asset costs or the current profit or loss when incurred.

(3). Accounting treatment of termination benefits

Applicable Not Applicable

(4). Accounting treatment of other long-term employee benefits

Applicable Not Applicable

31. Estimated liabilities

Applicable Not Applicable

Except for contingent consideration and contingent liabilities assumed in business combination not under the same control, when the obligations related to contingencies meet the following conditions, the Group recognizes them as estimated liabilities: this obligation is a present obligation of the Group; the performance of such obligation is likely to result in outflow of economic benefits from the Group; the amount of the obligation can be measured reliably.

The estimated liabilities are initially measured as the best estimate of expenses required for the performance of relevant present obligations by considering comprehensively the risks with respect to contingencies, uncertainties and the time value of money. The book value of estimated liabilities will be checked and properly adjusted on balance sheet date so as to reflect the current best estimate.

32. Share-based payment

Applicable Not Applicable

33. Preferred shares, perpetual bonds and other financial instruments

Applicable Not Applicable

After the maturity of the perpetual bonds issued by the Group, the Group has the right to extend them for an unlimited number of times. For the coupon interest of the perpetual bonds, the Group has the right to postpone the payment, and the group has no contractual obligation to pay cash or other financial assets. They are classified as equity instrument.

34. Revenue

(1). Accounting policies for revenue recognition and measurement disclosed by business type

Applicable Not Applicable

The Group recognizes revenue when it fulfills the performance obligation in the contract, that is, when the customer obtains control over the relevant goods or services. The acquisition of control of relevant goods or services means to be able to dominate the use of the goods or the rendering of the services and obtain almost all the economic benefits from them.

Manufacturing contracts on large-sized port equipment, heavy equipment and steel structure products

The manufacturing contracts on large-sized port equipment, heavy equipment and steel structure products between the Group and customers usually only include the performance obligations of transferring large-sized port machinery and equipment, heavy equipment and steel structure products customized for customers.

The large-sized port equipment, heavy equipment and steel structure products provided by the Group during the performance of the contract are irreplaceable, however, most of the large-sized port equipment, heavy equipment sales contracts and the manufacturing contracts of some steel structure products do not stipulate that the Group has the right to collect money for the performance part that has been completed so far in the whole contract period. This part of the contract does not meet the performance obligation conditions within a certain period of time, and the Group takes it as the performance obligation at a certain point of time. The Group generally recognizes the revenue at the time point of control transfer of relevant port machinery and equipment, heavy equipment and steel structure products on the basis of comprehensive consideration of the following factors: the current right to receive payment of goods, the transfer of main risks and rewards in the ownership of goods, the transfer of legal ownership of goods, the transfer of physical assets of goods, and the acceptance of the goods by customers.

In addition, based on the terms of sales contracts on individual large-sized port equipment and heavy equipment and the manufacturing contracts on some steel structure products, the Group has the right to collect money for the performance part that has been completed so far during the whole contract period. The Group takes it as the performance obligation to perform in a certain period of time, and recognizes the revenue according to the performance progress, except the cases where the performance progress cannot be reasonably determined. Based on input method, the Group determines the corresponding performance progress of large-sized port equipment and heavy equipment contracts according to the proportion of the cost incurred in the total estimated cost. Based on output method, the Group determines the performance progress of the steel structure manufacturing contract according to the proportion of the accumulated processing tons to the estimated total processing tons. Where the performance progress cannot be reasonably determined, and the cost incurred by the Group is expected to be reimbursed, the revenue shall be recognized according to the amount of the cost that has incurred until the performance progress can be reasonably determined.

Contracts on rendering of shipping and lifting services

The service contracts between the Group and its customers mainly involve special shipping services and hoisting services. The revenue of special shipping services rendered by the Group is recognized by time period method, and the progress of performance obligations is determined according to the proportion of the number of days transported in the total estimated days of transportation. The revenue of shipping service shall be recognized when the service is completed.

Material sales contract

The material sales contract between the Group and customers usually only includes the performance obligation of transferring spare parts and other materials. The Group generally recognizes the revenue at the time of control transfer of relevant spare parts and other materials on the basis of comprehensive consideration of the following factors: the current right to receive payment of goods, the transfer of main risks and rewards in the ownership of goods, the transfer of legal ownership of goods, the transfer of physical assets of goods, and the acceptance of the goods by customers.

Rendering of building services

The building service contract between the Group and customers usually includes the performance obligation of infrastructure construction. As the customer can control the assets under construction during the performance by the Group, the Group takes them as the performance obligations within a certain period of time, and recognizes the revenue according to the performance progress, except that the performance progress cannot be reasonably determined. By input method, the Group determines the performance progress of the services based on the cost incurred. If the performance progress cannot be reasonably determined and the cost incurred by the Group is expected to be compensated, the revenue shall be recognized according to the cost amount incurred until the performance progress can be reasonably determined.

Build and transfer contract (BT contract)

Activities under the BT contracts usually include build and transfer. With respect to the building services provided by the Group, during the building period, the revenue of construction service contracts is recognized in accordance with

the above accounting policies. The construction contract revenue is measured at the fair value of the consideration receivable, and the “long-term receivables” are recognized and measured at the same time by effective interest rate method and the amortized cost, and offset upon receipt of payment of the project owner.

PPP project contract

PPP project contract refers to the contract concluded between the Group and the government party on PPP project cooperation in accordance with laws and regulations, which also meets the following characteristics (hereinafter referred to as “dual characteristics”):

- (1) The Group uses PPP project assets to provide public goods and services on behalf of the government party during the contracted operation period;
- (2) The Group is compensated for the public goods and services it provides within the contracted period.

Activities under the PPP contracts usually include construction, operation and transfer. During the building period, the Group determines whether the Group is the principal responsible person or the agent in accordance with the accounting policy of the principal responsible person/agent below. If the Group is the principal responsible person, contract revenue from construction services and contract assets are recognized accordingly, and the revenue of construction contract is measured at the fair value of the consideration received or receivable. During the operating phase, the Group carries out accounting treatment as follows accordingly:

(1) Pursuant to the contractual provisions of the PPP project, during the project operation, if the conditions for collection of the cash (or other financial assets) of a definite amount can be met, the amount of consideration of relevant PPP project assets or the recognized amount of construction revenue is recognized as contract assets until the Group has the right to receive the consideration (which depends only on the passage of time). When the Company has the right to collect such consideration (which depends only on the passage of time), the amount of consideration of relevant PPP project assets or the recognized amount of construction revenue is recognized as accounts receivable, and subject to the accounting treatment specified in the accounting policy for financial instruments. When the PPP project assets reach their expected usable conditions, the difference of the amount of consideration of relevant PPP project assets or the recognized amount of construction revenue in excess of the cash (or other financial assets) of a definite amount is recognized as intangible assets.

(2) Pursuant to the contractual provisions of the PPP project, the Group has the right to collect payments from the recipient of public goods and services, but such right shall not be an unconditional collection right if the payment amount is uncertain. When the PPP project assets reach their expected usable conditions, the amount of consideration of relevant PPP project assets or recognized amount of construction revenue is recognized as an intangible asset and subject to the accounting treatment specified in the accounting policy for intangible assets above.

In the operation stage, when services are provided, recognize the corresponding revenue; Daily maintenance or repair expenses incurred shall be recognized as current expenses. Daily maintenance or repair expenses incurred shall be recognized as current expenses.

The Group presents the construction expenditures incurred during the construction period of PPP projects accounted as intangible assets as cash flows from investing activities. The Group presents the construction expenditures incurred during the construction period of PPP projects other than those mentioned above as cash flows from operating activities.

Variable consideration

If there is variable consideration in the contract, the Group shall determine the best estimate of variable consideration according to the expected value or the most likely amount, but the transaction price including variable consideration shall not exceed the amount that the accumulated recognized revenue is highly unlikely to have a significant reversal when the relevant uncertainty is eliminated. On each balance sheet date, the Group re-estimates the amount of variable consideration to be included in the transaction price.

Consideration payable to customers

In the case of consideration payable to customers, the Group shall use such consideration payable to offset the transaction price and then offset the current income at the later of the recognition of the relevant income and the

payment (or commitment to pay) of the customer consideration, unless the consideration payable to customers is for the purpose of obtaining other clearly distinguishable goods or services from the customer.

Warranty obligations

According to the contract and legal provisions, the Group provides quality assurance for the goods sold or the assets built. For the guarantee type quality assurance that the goods sold to customers meet the established standards, the Group shall perform accounting treatment in accordance with Note V. For the service quality assurance for a separate service provided in addition to guaranteeing that the goods sold meet the established standards, the Group shall take it as a single performance obligation, allocate part of the transaction price to the service quality assurance according to relative proportion of the single selling price of the goods and service quality assurance, and recognize the revenue when the customer acquires service control right. In assessing whether quality assurance provides a separate service in addition to ensuring that the goods sold meet established standards, the Group shall consider whether the quality assurance is legal requirement, quality assurance period and the nature of the Group's commitment to perform the tasks.

Principal responsible person/agent

The Group determines whether it is the principal responsible person or the agent in the transaction according to whether it has the right to control the goods or services before transferring them to customers. In case the Group can control the goods and other products before transferring them to customers, the Group shall be the principal responsible person and recognize the revenue according to the total consideration received or receivable. Otherwise, the Group shall be the agent and recognize the revenue according to the amount of commission fees or handling charges that it is expected to be entitled to receive, and the amount shall be recognized according to the net amount of the total consideration received or receivable after deducting the price payable to other relevant parties, or according to the fixed commission amount or proportion.

(2). Different operating models for similar businesses involve different revenue recognition methods and measurement methods

Applicable Not Applicable

35. Contract cost

Applicable Not Applicable

The Group's assets related to contract cost include contract performance cost and contract acquisition cost. According to the liquidity, they are presented in inventories, other current assets and other non-current assets respectively.

If the incremental cost incurred by the Group to get the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost, unless the amortization period of the asset does not exceed one year.

The cost incurred by the Group in performing the contract, which is not applicable to the specification scope of inventories, fixed assets or intangible assets and meets the following conditions simultaneously, shall be recognized as an asset as the contract performance cost:

- (1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred solely as a result of the contract;
- (2) The cost increases the enterprise's resources for fulfilling its performance obligations in the future;
- (3) The cost is expected to be recovered.

The Group's assets related to contract cost are amortized on the same basis as the recognition of income related to the assets, and are included in the current profit or loss.

If the book value of the assets related to contract cost is higher than the difference between the following two items, the Group will make provision for impairment of the excess part and recognize it as the loss of asset impairment:

- (1) The remaining consideration expected to be obtained by the enterprise due to the transfer of goods or services related to the assets;



(2) The cost expected to be incurred for the transfer of relevant goods or services.

36. Government subsidies

Applicable Not Applicable

Government subsidies shall be recognized only if the Company is able to comply with the conditions for the government subsidies, and is likely to receive the government subsidies. If a government subsidy is a monetary asset, it shall be measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount.

If the government subsidies shall be used for the construction or the generation in otherwise of the long-term assets as required by the government documents, they are the assets-related government subsidies; if government documents have no relevant provisions, and such government subsidies are based on the condition of the construction or the generation in otherwise of the long-term assets judged on the basis of basic conditions required for obtaining such government subsidies, they shall be deemed as the assets-related government subsidies, other government subsidies in addition to the said ones shall be deemed as the income-related government subsidies.

Income-related government subsidies which are used to compensate for relevant costs or losses in subsequent periods will be recognized as deferred income, and will be included in the current profit or loss or be used to write off relevant costs in the period when relevant costs or losses are recognized.

If assets-related government subsidies are recognized as deferred income, they shall be included in profit or loss by stages by a reasonable and systematic method within the useful lives of relevant assets. (However, the government subsidies measured at nominal amounts are directly included in the current profit or loss); if the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the undistributed balance of relevant deferred income is transferred to the profit or loss from the current period of asset disposal.

37. Deferred income tax assets/deferred income tax liabilities

Applicable Not Applicable

Deferred income tax is accrued under the balance sheet liability method by the Group based on the temporary difference between book value of assets and liabilities on the balance sheet date and tax base, as well as the balance between the book value of items which have not been recognized as assets or liabilities but the tax base can be determined according to the tax law and the tax base.

Taxable temporary differences are recognized as deferred income tax liabilities, except that

(1) The taxable temporary differences generate in the following transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities arising from transactions with the following characteristics: the transaction is not a business combination and will not affect accounting profits, nor affect the taxable income or deductible losses when the transaction occurs, and initial recognition of assets and liabilities does not lead to the generation of equal taxable temporary differences and deductible temporary differences.

(2) For taxable temporary differences related to the investments in subsidiaries, joint ventures and associates, the time for the reversal of the taxable temporary differences can be controlled and the taxable temporary differences are likely not to be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to subsequent periods, deferred tax assets arising therefrom are recognized to the extent that future taxable income will be probable to be available against the deductible temporary differences, deductible losses and tax credits, unless the deductible temporary differences arise from the following transactions:

The deductible temporary difference is generated in the following transaction: the transaction is not a business combination and will not affect accounting profits, nor affect the taxable income or deductible losses when the transaction occurs, and initial recognition of assets and liabilities does not lead to the generation of equal taxable temporary differences and deductible temporary differences.

For the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, the temporary differences may be reversed in the foreseeable future and they can be used to offset the taxable income of deductible temporary differences in the future.

On the balance sheet date, the Company shall measure deferred income tax assets and deferred income tax liabilities at the applicable tax rate during the period for expected recovery of assets or settlement of liabilities and reflect the impacts of the income tax by means of expected recovery of assets or settlement of liabilities on the balance sheet date.

On the balance sheet date, the Group reviews the book value of deferred income-tax assets. If it is unlikely to obtain sufficient taxable income to offset the benefit of the deferred income-tax assets, the book value of the deferred income-tax assets will be written down. On the balance sheet date, the Group re-evaluates unrecognized deferred income tax assets, and deferred income tax assets are recognized to the extent that it is likely to obtain sufficient taxable income for all or part of the deferred income tax assets to be reversed.

Deferred income tax assets and deferred income tax liabilities meeting the following conditions simultaneously will be presented by net amount after offset: when the Company has the statutory right to balance current income tax assets and current income tax liabilities with net amounts, and deferred income tax assets and deferred income tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or on different taxpayers, but, in each important future period in connection with the reversal of deferred income tax assets and liabilities, the involved taxpayer intends to settle the current income tax assets and liabilities on a net amount basis, or obtain assets at the time of discharging liabilities.

38. Lease

Applicable Not Applicable

Judgment basis and accounting treatment method for simplified treatment of short-term leases and low-value asset leases as a lessee

Applicable Not Applicable

On the beginning date of the contract, the Group assesses whether the contract is a lease or contains a lease, if one party transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, such contract is, or contains, a lease.

As the lessee

Except for short-term leases and low-value asset leases, the Group recognizes right-of-use assets and lease liabilities for leases.

Right-of-use assets

At the commencement date of the lease term, the Group recognizes its right to use the leased asset over the lease term as a right-of-use asset, which is initially measured at cost. The right-of-use assets include: the initial measurement amount of the lease liability, the lease payments made on or before the commencement date of the lease term, lessing the amount related to the lease incentive already taken; initial direct costs incurred by the lessee; the costs expected to be incurred by the lessee to disassemble and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the condition agreed in the lease terms. If the Group remeasures the lease liability due to changes in lease payments, the book value of the right-of-use asset is adjusted accordingly. The Group subsequently depreciates right-of-use assets under straight-line method. If it can be reasonably certain that the ownership of the leased asset will be obtained at the expiration of the lease term, the leased asset will be depreciated over the remaining useful life. If it is impossible to reasonably certain that the ownership of the leased asset will be obtained at the expiration of the lease term, the leased asset will be depreciated over the shorter of the lease term and the remaining useful life.

Lease liabilities

At the commencement date of the lease term, the Group recognizes the present value of the outstanding lease payments as a lease liability, except for short-term leases and low-value asset lease. Lease payments include fixed payments and substantially fixed payments net of lease incentives, variable lease payments that depend on an index or rate, amounts



expected to be payable based on the residual value of guarantee, and also include the exercise price of the purchase option or amounts to be paid upon exercise of a lease termination option if the Group is reasonably certain that the option will be exercised or the lease term reflects that the Group will exercise the lease termination option.

When calculating the present value of the lease payments, the Group uses the interest rate embedded in the lease as the discount rate; if the interest rate embedded in the lease cannot be determined, the incremental borrowing rate of the lessee is used as the discount rate. The Group calculates the interest expenses on lease liabilities at a fixed periodic rate for each period of the lease term and recognizes it in current profit or loss, unless otherwise provided for in the cost of the relevant assets.

After the commencement date of the lease term, the Group increases the carrying amount of the lease liability when interest is recognized and decreases the carrying amount of the lease liability when lease payments are made. When there is a change in the substantial fixed payment, a change in the estimated payable amount of the guaranteed residual value, a change in the index or ratio used to determine the lease payment, or a change in the evaluation result or actual exercise of the purchase option, renewal option or termination option, the Group remeasures the lease liability at the present value of the changed lease payment.

Short-term lease and low-value asset lease

The Group recognizes the lease with a lease term of no more than 12 months from the commencement date and excluding the purchase option as a short-term lease; a lease with a low value when a single leased asset is a new asset is recognized as a low-value asset lease. The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases. During the lease term, the relevant asset costs or current profits or losses are recognized on a straight-line basis for each period.

Leaseback

The Group assesses whether the transfer of assets in leaseback transactions is a sale in accordance with Note V.

As the lessee

Where asset transfer under the leaseback transactions is a sale, as the lessee, the Group shall measure the right-of-use assets created by the leaseback based on the portion of book value of the original assets related to right of use obtained upon leaseback, and only recognize relevant profit or loss for the right transferred to the lessor. Where asset transfer under leaseback transactions is not a sale, as the lessee, the Group shall continue to recognize the transferred assets while recognizing a financial liability equal to the transfer income, and shall carry out accounting treatment for such financial liability according to Note V.

Lease classification standards and accounting treatment method as a lessor

Applicable Not Applicable

As a lessor

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee on the commencement date. All leases other than financial leases are classified as operating leases.

As a lessor of operating lease

Rental income from the operating lease in each stage during the lease term should be recognized as the current profit or loss by the straight-line method, and the variable lease payments not included in the lease receipts are recognized in profit or loss when they are actually incurred. Initial direct costs are capitalized and amortized over the lease term on the same basis as the recognition of rental income, and are included in current profit or loss.

39. Other accounting policies and accounting estimates

Applicable Not Applicable

Work safety expenses

The Company withdraws the work safety expenses according to provisions, includes them in the cost of related products

or the current profit or loss, and includes them in special reserves at the same time. The costs are handled separately depending on whether they form fixed assets: when withdrawn work safety expenses are used within the prescribed range and belong to expenses, such costs shall be directly deducted from special reserves; where a fixed asset is formed, the expenses incurred through collection are recognized as the fixed asset when it is ready for its intended use, and the equivalent special reserve is written off and the equivalent accumulated depreciation is confirmed.

Fair value measurement

On the balance sheet date, the Group will measure the equity instrument investment with the fair value. Fair value is a receivable price for selling an asset or a demanding price for transferring a liability for participants in the market in the orderly transactions during the measuring period.

For assets and liabilities measured at or disclosed by their fair value in the financial statements, the level of the measurement result of fair value shall subject to the lowest level which the input having great significance to the entire measurement of fair value belongs to: Level 1 inputs refer to quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date; Level 2 inputs refer to inputs that are directly or indirectly observable for the assets or liabilities other than Level 1 inputs; Level 3 inputs refer to unobservable inputs of the relevant assets or liabilities.

On each balance sheet date, the Group reevaluates the assets and liabilities continuously measured at fair value and recognized in the financial statements in order to determine whether there is a conversion among the levels of fair value measurement.

Asset securitization

The Group securitizes part of its accounts receivable and contract assets ("trust property") and entrusts the assets to a structured entity, which issues senior asset-backed securities to investors. After paying the trust tax burden and relevant expenses, trust property is given priority to pay to principal and interest of senior asset-backed securities. After paying all principal and interest, remaining trust property will be regarded as earnings of subordinated asset-backed securities, which belongs to the holders of subordinated asset-backed securities.

For the financial asset securitization business, the Group first analyzes whether the structured entity should be consolidated based on the subordinated shares held, the performance remuneration enjoyed, and the rights held. If the Group retains the contractual right to receive cash flows from financial assets but assumes the contractual obligation to pay the cash flows received to one or more final recipients, the Group shall determine the relevant accounting treatment in accordance with Note 5 considering the risk and reward of the assets transferred to other entities if and only if the following three conditions are met at the same time, otherwise the Group continues to recognize the transferred financial assets: the Group is obliged to pay the cash flows to the final recipient only when it receives equivalent cash flows from the financial assets; the transfer contract prohibits the Group from selling or pledging such financial assets, but the Group can use it as a guarantee for the obligation to pay cash flows to the final recipient; and the Group is obliged to transfer all cash flows collected on behalf of the final recipient to the final recipient in a timely manner without significant delay.

Significant accounting judgment and estimate

Preparation of the financial statements requires the management to make judgment, estimation and hypothesis that will have an impact on the presentation amounts and disclosure of the incomes, expenses, assets and liabilities, and the disclosure of contingent liabilities on the balance sheet date. The result incurred due to uncertainty of these hypotheses and estimates may cause significant adjustment of book values of those assets or liabilities influenced in the future.

Judgment

In the application of the Group's accounting policies, the management has made the following judgments that have a material impact on the amounts recognized in the financial statements:

Determination of the performance progress of construction contracts (only applicable to transfer of control over a period of time)

For construction projects, port machinery and heavy equipment construction contracts, the Group determines the performance progress according to the proportion of the cumulative actual construction cost to the estimated total

cost, while the cumulative actual cost includes the direct cost and indirect cost in the process of transferring goods to customers; for steel structure and related construction contracts, the Group determines the performance progress based on the proportion of the cumulative actual output tonnage to the estimated total tonnage. The Group believes that the construction contract price with customers is determined on the basis of construction cost or output tonnage, and the proportion of the actual construction cost or comprehensive tonnage to the estimated total cost can or estimated total tonnage can truly reflect the performance progress of construction services. In view of the long duration of construction contracts, which may span several accounting periods, the Group will recheck and revise the budget with the progress of the construction contracts, and adjust the amount of revenue recognized accordingly.

Uncertainty of estimation

The following are other key sources of the uncertainty of the key assumptions and estimates in the future on the balance sheet date, which may lead to major adjustments in the book value of the assets and liabilities of next fiscal year.

Impairment of financial instruments and contract assets

The Group adopts the expected credit loss model to assess the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgments and estimates. It must consider all reasonable and evidence-based information, including forward-looking information. In making such judgments and estimates, the Group infers expected changes in debtors' credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the amount of impairment that has been provided may be not equal to the actual amount of future impairment losses.

Inventory depreciation reserves

The management shall estimate the net realizable value of inventories in time so as to estimate the provision for depreciation of inventories. If any event or circumstance changes, it is necessary to use the estimate to make the provision for depreciation of inventories if the inventory is not likely to realize the relevant value. If the expected amount is different from the original estimate, the relevant difference will affect the book value of the inventories and the impairment loss during the estimated change.

Impairment of goodwill

The Group tests whether the goodwill is impaired at least annually. This requires an estimate of the present value of the future cash flows of the asset group or combination of asset groups to which goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flow generated by future asset groups or combination of asset groups, and select the appropriate discount rate to determine the present value of future cash flows. See Note VII for details.

Fair value of unlisted equity investments

The Group uses the market approach to determine the fair value of unlisted equity investments. This requires the Group to identify comparable listed companies, select market multipliers, estimate liquidity discounts, etc. and is therefore subject to uncertainty.

Impairment of non-current assets other than financial assets (other than goodwill)

On the balance sheet date, the Group judges whether there are any signs of possible impairment of non-current assets other than financial assets. Non-current assets other than financial assets are tested for impairment when there is an indication showing that their book amounts are irrecoverable. When the book value of an asset or asset group is higher than the recoverable amount, that is, the higher of the net amount from fair value less the disposal expense and the present value of the estimated future cash flow, it indicates that the impairment occurred. The net amount after the fair value minus the disposal expenses is determined by reference to the sales agreement price of similar assets in the fair trade or the observable market price, minus the incremental cost directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or asset group and select an appropriate discount rate to determine the present value of future cash flows.

40. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

Applicable Not Applicable

Unit: Yuan Currency: CNY

Content and cause of changes in accounting policies	Significantly affected statement item name	Influenced amount
<p>Recognition of deferred income tax related to leases</p> <p>According to the Interpretation No. 16 of the Accounting Standards for Business Enterprises issued in 2022, for single transactions that are not business combinations, will not affect accounting profit or taxable income (or deductible losses) when the transaction occurs, with initial recognition of assets and liabilities resulting in equal taxable temporary differences and deductible temporary differences, the provisions on exemption from initial recognition of deferred income tax are not applicable. The above provisions took effect on January 1, 2023. According to the provisions on connection, the Group has made adjustments to the above transactions that occurred between the beginning of the earliest period of financial statements for the first implementation of the Interpretation and the date of the change in accounting policies; for the lease liabilities and right-of-use assets recognized at the beginning of the earliest period of financial statements for the first implementation of the Interpretation due to the above transactions, if taxable temporary differences and deductible temporary differences arise, the Group will adjust the relevant financial statement items of the earliest period of financial statements by the cumulative impact.</p>	Deferred tax assets and deferred tax liabilities	0

Other description:

None

(2). Changes in accounting estimates

Applicable Not Applicable

(3). First-time implementation of new accounting standards or interpretations of standards from 2022 onwards involves adjustments to the financial statements at the beginning of the year of first-time implementation

Applicable Not Applicable

41. Others

Applicable Not Applicable

VI. Taxes

1. Main tax categories and tax rates

Main tax categories and tax rates

Applicable Not Applicable

Category of tax	Basis of tax computation	Tax rate
VAT	The difference between the output tax calculated by applicable tax rate, after deducting the deductible input tax	VAT is applicable to the sales of the Group's products. The taxable income from the sales of the products in domestic market is subject to the output tax as per 13%; the products for export adopt the method of "tax exemption, tax deduction and tax reimbursement" and the applicable tax rate is 13%. The Group's income from the marine transport is applicable to VAT, and the output tax is calculated as per 9%; the income from leasing of the equipment is applicable to VAT and the output tax is calculated as per 13% of the taxable income; the income from the sales of the equipment is applicable to the simple collection measures of VAT and the tax rate is subject to the reduced tax rate of 2%; the Group's income from the leasing of the housing is applicable to the simple collection measures of VAT and the tax rate is 5%; the item "B-T" is applicable to VAT and the output tax on the taxable income is collected at 9%. The above output tax shall calculate and pay VAT after deducting the amount of input tax deductible, except for the applicable VAT's simple collection method.



Category of tax	Basis of tax computation	Tax rate
Urban maintenance and construction tax and education surcharge	The amount of value-added tax actually paid and exempted upon the official approval by the State Administration of Taxation	Calculated and paid according to 7% and 3% of the turnover tax actually paid and exempted upon the official approval by the State Administration of Taxation.
Enterprise income tax	Taxable income	The enterprise income tax is calculated and paid in accordance with the Enterprise Income Tax Law of People's Republic of China (hereinafter referred to as the "Income Tax Law"). In accordance with the relevant provisions of the Measures for the Administration of the Certification of High-tech Enterprises (GKFH [2016] No. 32) and the Guidelines for the Administration of the Certification of High-Tech Enterprises (GKFH [2016] No. 195), the Company was awarded a new High-tech Enterprise Certificate (Certificate Number: GR202331007094) in December 2023 after reexamination, with the valid term of 3 years. The Company actually applied the enterprise income tax rate of 15% this year (2022: 15%).

Where there are taxpayers with different enterprise income tax rates, the disclosure shall be stated

Applicable Not Applicable

Name of taxpayer	Income tax rate (%)
The Company	15%
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	15%
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	16.5%
Shanghai Zhenhua Shipping Co., Ltd.	25%
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	15%
Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd.	15%
ZPMC Electric Co., Ltd.	15%
Shanghai Zhenhua Ocean Engineering Service Co., Ltd.	25%
ZPMC Machinery Equipment Services Co., Ltd.	25%
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	25%
Shanghai Port Machinery Heavy Industry Co., Ltd.	25%
ZPMC Zhangjiagang Port Machinery Co., Ltd.	25%
ZPMC Qidong Marine Engineering Co., Ltd.	25%
Jiahua Shipping Co., Ltd.	16.5%
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	16.5%
Nanjing Ninggao New Channel Construction Co., Ltd.	25%
CCCC Investment & Development Qidong Co., Ltd.	25%
CCCC Liyang Urban Investment and Construction Co., Ltd.	25%
CCCC (Huaian) Construction Development Co., Ltd.	25%
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	25%
CCCC Rudong Construction Development Co., Ltd.	25%
ZPMC Netherlands Coöperatie U.A.	25.8%
ZPMC Netherlands B.V.	25.8%
Verspannen B.V.	25.8%
ZPMC Espana S.L.	25%
ZPMC Italia S.r.l.	24%
ZPMC GmbH Hamburg	32.25%
ZPMC Lanka Company (Private) Limited	30%
ZPMC North America Inc.	29%
ZPMC Korea Co., Ltd.	20%
ZPMC Engineering Africa (Pty) Ltd.	28%
ZPMC Engineering (India) Private Limited	25.17%
ZPMC Southeast Asia Holding Pte. Ltd.	17%
ZPMC Engineering (Malaysia) Sdn. Bhd.	24%
ZPMC Australia Company (Pty) Ltd.	30%
ZPMC Brazil Serviço Portuários LTDA	25%

Name of taxpayer	Income tax rate (%)
ZPMC Limited Liability Company	20%
ZPMC NA East Coast Inc.	33%
ZPMC Middle East FZE	0%
ZPMC UK LD	19%
Greenland Heavylift (Hong Kong) Limited	16.5%
GPO Grace Limited	0%
GPO Amethyst Limited	0%
GPO Sapphire Limited	0%
GPO Emerald Limited	0%
GPO Heavylift Limited	0%
GPO Heavylift AS	0%
GPO Heavylift Pte Ltd	17%
ZPMC Latin America Holding Corporation	5%
Terminexus Co., Ltd.	16.5%
CCCC Yongjia Construction Development Co., Ltd.	25%
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.	25%
ZPMC Hotel Co., Ltd.	25%
Xiong'an Zhenhua Co., Ltd.	25%
ZPMC Fuzhou Offshore Construction Co., Ltd.	25%
CCCC (Dongming) Investment and Construction Co., Ltd.	25%
CCCC Zhenhua Intelligent Parking (Hengyang) Co., Ltd.	25%

2. Tax preferences

Applicable Not Applicable

Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. won the High-tech Enterprise Certificate (No.: GR202231000204) in October 2022, with the valid term of 3 years. Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd. won the High-tech Enterprise Certificate (No.: GR202132001798) in November 2021, with the valid term of 3 years. Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd. won the High-tech Enterprise Certificate (No.: GR202232002981) in 2022, with the valid term of 3 years. Shanghai Zhenhua Heavy Industries Electric Co., Ltd won the Hi-tech Enterprise Certificate (No.: GR202331003809) in December 2023, with the valid term of 3 years. In accordance with relevant provisions in Article 28 of the Income Tax Law, the actually applicable enterprise income tax rate for these companies in this year was 15% (2022: 15%).

3. Others

Applicable Not Applicable

VII. Notes to the main items of the consolidated financial statements

1. Monetary funds

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Cash on hand	494,809	1,027,476
Bank deposits	5,031,675,096	2,374,073,961
Other monetary funds	72,908,531	21,946,276
Total	5,105,078,436	2,397,047,713
Including: total amount of overseas deposits	1,039,089,864	1,253,939,219



2. Held-for-trading financial assets

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022	Reasons and basis for designation
Financial assets measured at fair value through the current profit or loss	720,594,675	877,483,342	/
Including:			
Derivative financial assets – equity options (i)	8,438,278	8,438,278	/
Investments in shares of listed companies (ii)	712,156,397	869,045,064	/
Financial assets designated to be measured at fair value through the current profit or loss			
Including:			
Total	720,594,675	877,483,342	/

Other description:

Applicable Not Applicable

(i) As at December 31, 2023, the held-for-trading financial assets- derivative financial assets – equity options held by the Group refers to the fair value of the right obtained at the time of acquiring Greenland Heavylift (Hong Kong) Limited to purchase 1% of its equity of at the price of USD 1.

(ii) As at December 31, 2023, the listed company share investments held by the Group include 4.86% equity of Jiangxi Huawu Brake Co., Ltd., 1.16% equity of CRSC, 0.96% equity of Qingdao Port International Co., Ltd., and 0.01% equity of COSCO Shipping Holdings Co., Ltd.

3. Derivative financial assets

Applicable Not Applicable

4. Notes receivable

(1). Presentation of notes receivable by category

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Bank acceptance bill		
Commercial acceptance bill	14,122,031	56,114,657
Total	14,122,031	56,114,657

(2). Notes receivable pledged by the Company at the end of the period

Applicable Not Applicable

(3). Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

Applicable Not Applicable

(4). Disclosure by bad debt calculation method

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Explanation of significant changes in the book balance of notes receivable with changes in provisions for losses in the current period:

Applicable Not Applicable

(5). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

(6). Notes receivable actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of notes receivable:

Applicable Not Applicable

Explanation of write-off of notes receivable:

Applicable Not Applicable

Other description

Applicable Not Applicable

5. Accounts receivable

(1). Disclosure by aging

Applicable Not Applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2023	December 31, 2022
Within 1 year		
Including: subitem within 1 year		
Sub-total of items within 1 year	4,922,793,284	4,719,933,460
1- 2 years	1,497,051,338	856,147,852
2- 3 years	625,448,724	1,917,825,421
Over 3 years		
3- 4 years	866,155,324	673,336,029
4- 5 years	652,981,128	176,228,829
Over 5 years	1,274,119,208	1,167,076,085
Total	9,838,549,006	9,510,547,676

(2). Disclosure by bad debt calculation method

Applicable Not Applicable

Unit: Yuan Currency: CNY

Category	December 31, 2023					December 31, 2022				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	908,640,230	9	837,390,899	92	71,249,331	896,540,136	9	825,285,390	92	71,254,746
Including:										



Category	December 31, 2023					December 31, 2022				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts by portfolio	8,929,908,776	91	1,734,860,005	19	7,195,048,771	8,614,007,540	91	1,491,612,431	17	7,122,395,109
Including										
Total	9,838,549,006	/	2,572,250,904	/	7,266,298,102	9,510,547,676	/	2,316,897,821	/	7,193,649,855

Individual provision for bad debts:

Applicable Not Applicable

Unit: Yuan Currency: CNY

Name	December 31, 2023			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Accounts receivable 1	474,995,540	403,746,209	85	Counterparty financial shortage

Description of individual provision for bad debts:

Applicable Not Applicable

As of December 31, 2022, the accounts receivable with provision for bad debts accrued on an individual basis are as follows:

Name	December 31, 2023			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Accounts receivable 1	475,031,639	403,776,893	85	Counterparty financial shortage

Provision for bad debts by portfolio:

Applicable Not Applicable

Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Explanation of significant changes in the book balance of accounts receivable with changes in provisions for losses in the current period:

Applicable Not Applicable

(3). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

(4). Accounts receivable actually written off in the current period

Applicable Not Applicable

Write-off of important accounts receivable

Applicable Not Applicable

Explanation of write-off of accounts receivable:

Applicable Not Applicable

(5). Top 5 accounts receivable and contract assets in terms of ending balance presented by debtor

Applicable Not Applicable

Other description:

Applicable Not Applicable

Accounts receivable with provision for bad debts accrued by credit risk features portfolio are as follows:

	2023			2022		
	The estimated default the whole duration	Accruing proportion (%)	The book balance of Expected credit loss	The estimated default the whole duration	Accruing proportion (%)	The book balance of Expected credit loss
Within 1 year	4,918,235,383	4	180,647,988	4,717,806,043	4	183,619,656
1-2 years	1,497,010,838	12	180,463,562	856,147,852	13	111,990,696
2-3 years	625,448,724	30	190,373,412	1,808,064,282	26	470,904,017
3-4 years	756,394,186	53	400,921,875	230,551,083	38	87,894,312
4-5 years	214,716,181	50	107,993,104	161,998,029	59	94,864,959
Over 5 years	918,103,464	73	674,460,064	839,440,251	65	542,338,791
Total	8,929,908,776		1,734,860,005	8,614,007,540		1,491,612,431

As at December 31, 2023, the top five accounts receivable and contract assets are as follows:

	Accounts receivable Balance at the end of the current year	Contract assets Balance at the end of the current year	Accounts receivable and contract assets Balance at the end of the current year	Proportion in total year-end balance of accounts receivable and contract assets (%)	Provision for bad debts of accounts receivable and provision for impairment of contract assets Balance at the end of the current year
Client 1	129,907,741	545,737,488	675,645,229	5	93,172,418
Client 2	529,999,000	-	529,999,000	4	-
Client 3	487,062,623	9,532,053	496,594,676	4	-
Client 4	474,995,538	-	474,995,538	4	403,746,208
Client 5	358,198,795	-	358,198,795	3	-
Total	1,980,163,697	555,269,541	2,535,433,238	20	496,918,626

6. Contract assets

(1). Particulars about contract assets

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023			December 31, 2022		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Warranty balance recognized at the time of control transfer (Remark 1)	698,290,178	103,987,647	594,302,531	649,826,261	49,774,565	600,051,696
Outstanding payments for construction completed (Remark 2)	2,293,374,852	108,044,249	2,185,330,603	2,704,018,170	60,996,730	2,643,021,440
Total	2,991,665,030	212,031,896	2,779,633,134	3,353,844,431	110,771,295	3,243,073,136

Remark 1: When the Group sells equipment to customers and provides relevant installation services, it constitutes a single performance obligation. When the Group recognizes revenue at the time of fulfilling its performance obligations, the Company's unconditional (i.e., only depending on the passage of time) right to collect consideration from customers shall be presented as receivables. The non-invoiced contract warranty balance is the right to conditionally collect the consideration from the customer. Therefore, the Company recognizes the non-invoiced contract receivables as contract assets, and the contract assets will form unconditional collection right after the expiration of the warranty and will be transferred to the receivables.

Remark 2: The Group provides customers with manufacturing of large port machinery and equipment, infrastructure construction services, and steel structure and heavy equipment product manufacturing, and recognizes revenue within a period of time to form contract assets. The contract assets will form unconditional collection right at the time of project settlement and are transferred in receivables. The customers shall settle accounts with the Group on the performance progress of the delivery of large port machinery and equipment, engineering construction services and steel structure and heavy equipment products under contract provisions, and pay the contract price according to the credit period specified in the contract after settlement. The part of the income amount recognized by the Group according to the performance progress exceeding the settled price is recognized as contract assets, and the part of the settled price exceeding the income amount recognized by the Group according to the performance progress is recognized as contract liabilities.

As at December 31, 2023, the contract assets were RMB 146,326,607 (as at December 31, 2022: RMB 133,406,311), which had been pledged to the bank as the guarantee for the long-term borrowings of RMB 3,142,068,341 (as at December 31,



2022: Long-term borrowings of RMB 2,469,639,584).

(2). Amount of and reason for significant changes in book value during the reporting period

Applicable Not Applicable

(3). Disclosure by bad debt calculation method

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Description of individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

Unit: Yuan Currency: CNY

Name	December 31, 2023		
	Contract assets	Provision for bad debt	Proportion (%)
Within 1 year	2,410,170,070	105,188,502	4
1- 2 years	507,865,980	80,314,538	16
2- 3 years	66,292,715	22,418,514	34
Over 3 years	7,336,265	4,110,342	56
Total	2,991,665,030	212,031,896	

Explanation of provision for bad debts accrued by portfolio [Double click to switch]

Applicable Not Applicable

Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Explanation of significant changes in the book balance of contract assets with changes in provisions for losses in the current period:

Applicable Not Applicable

(4). Provision for bad debts of contract assets of the current period

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Provision in the current period	Recovery or reversal in the current period	Write-off/charge-off in the current period	Reason
Warranty balance recognized at the time of control transfer	69,719,395	-15,506,313		
Outstanding payments for construction completed	47,047,519			
Total	116,766,914	-15,506,313		/

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

(5). Contract assets actually written off in the current period

Applicable Not Applicable

Significant write-off of contract assets

Applicable Not Applicable

Note to contract asset write-off:

Applicable Not Applicable

Other description:

Applicable Not Applicable

7. Receivables financing

(1). Receivables financing presented by category

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Bank acceptance bill	485,743,897	145,939,266
Digital debt voucher of accounts receivable	479,825,225	293,973,162
Total	965,569,122	439,912,428

(2). Receivables financing pledged by the Company at the end of the period

Applicable Not Applicable

(3). Receivables financing that has been endorsed or discounted by the Company and is not due at the balance sheet date at the end of the period.

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Derecognition amount at the end of period	Amount not derecognized at the end of period
Bank acceptance bill	1,379,604,571	
Digital debt voucher of accounts receivable	33,809,204	
Total	1,413,413,775	

(4). Disclosure by bad debt calculation method

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Description of individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Explanation of significant changes in the book balance of receivables financing with changes in provisions for losses in the current period:

Applicable Not Applicable

(5). Provision for bad debts

Applicable Not Applicable



The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

(6). Receivables financing actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of receivables financing

Applicable Not Applicable

Note to write-off:

Applicable Not Applicable

(7). Increase or decrease and changes in fair value of receivables financing in the current period:

Applicable Not Applicable

(8). Other description:

Applicable Not Applicable

8. Advances to suppliers

(1). Presentation of advances to suppliers by account age

Applicable Not Applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2023		December 31, 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,209,014,804	92	821,657,082	86
1-2 years	43,155,573	3	26,224,985	3
2-3 years	24,603,752	2	18,112,942	2
Over 3 years	37,059,934	3	85,217,413	9
Total	1,313,834,063	100	951,212,422	100

Explanation of the reasons why the advances to suppliers with the aging over one year and a significant amount is not settled in time:

As at December 31, 2023, the advances to suppliers of the Company with the aging over one year was RMB 104,819,259 (as at December 31, 2022: RMB 129,555,340), mainly the advances to suppliers for the procurement of imported parts, which has not been yet settled because the purchased imported parts have not yet received.

(2). Top 5 advances to suppliers in terms of ending balance presented by prepaid object

Applicable Not Applicable

	December 31, 2023	Proportion in total ending balance of prepayment(%)
Total advances to suppliers of top 5 balances	411,011,680	31
Total	411,011,680	31

Other description

Applicable Not Applicable

9. Other receivables

Item presentation

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Interest receivable		
Dividends receivable		8,000,000
Other receivables	1,245,727,441	987,545,297
Total	1,245,727,441	995,545,297

Other description:

 Applicable Not Applicable**Interest receivable****(1). Classification of interest receivable** Applicable Not Applicable**(2). Significant overdue interest** Applicable Not Applicable**(3). Disclosure by bad debt calculation method** Applicable Not Applicable

Individual provision for bad debts:

 Applicable Not Applicable

Description of individual provision for bad debts:

 Applicable Not Applicable

Provision for bad debts by portfolio:

 Applicable Not Applicable**(4). Provision for bad debts is calculated based on the general model of expected credit loss** Applicable Not Applicable

Explanation of significant changes in the book balance of interests receivable with changes in provisions for losses in the current period:

 Applicable Not Applicable**(5). Provision for bad debts** Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

 Applicable Not Applicable**(6). Interests receivable actually written off in the current period** Applicable Not Applicable

Including important notes for write-off of interests receivable

 Applicable Not Applicable

Note to write-off:

 Applicable Not Applicable

Other description:

 Applicable Not Applicable



(7). Dividends receivable

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item (or the invested entity)	December 31, 2023	December 31, 2022
Suzhou Chuanglian Electric Drive Co., Ltd.		8,000,000
Total		8,000,000

(8). Significant dividends receivable aging over 1 year

Applicable Not Applicable

(9). Disclosure by bad debt calculation method

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Description of individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

(10). Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Explanation of significant changes in the book balance of dividends receivable with loss provision changes in the current period:

Applicable Not Applicable

(11). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

(12). Dividends receivable actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of dividends receivables

Applicable Not Applicable

Note to write-off:

Applicable Not Applicable

Other description:

Applicable Not Applicable

Other receivables

(13). Disclosure by aging

Applicable Not Applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2023	December 31, 2022
Within 1 year		
Including: subitem within 1 year		
Sub-total of items within 1 year	1,041,458,135	889,793,874
1-2 years	185,596,565	107,718,693
2-3 years	67,413,075	14,649,282
Over 3 years		
3-4 years	5,824,513	8,519,028
4-5 years	1,837,702	43,062,407
Over 5 years	228,825,263	188,072,813
Total	1,530,955,253	1,251,816,097

(14). Classification by nature of funds√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Nature of funds	December 31, 2023	December 31, 2022
Unpaid taxes receivable	794,770,088	385,097,393
Secured repayment	164,124,678	164,124,678
Receivables from third parties	157,909,657	155,389,892
Bid and performance bond	123,271,714	80,063,435
Lease payment receivable	48,652,496	41,353,253
Customs-related security deposit	47,556,497	267,023,626
Money on call for product field service	16,569,231	23,907,573
Staff borrowings receivable	12,300,811	13,446,973
Export rebates	12,141,232	7,654,374
Others	153,658,849	113,754,900
Total	1,530,955,253	1,251,816,097

(15). Provision for bad debts√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at January 1, 2023		33,506,509	230,764,291	264,270,800
Balance as at January 1, 2023 in current period				
--Transferred to Stage II				
--Transferred to Stage III				
--Reversal to Stage II				
--Reversal to Stage I				
Provision in the current period		20,957,012		20,957,012
Reversal in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at December 31, 2023		54,463,521	230,764,291	285,227,812



Description of significant changes in book balance of other receivables with changes in loss provision in the current period

Applicable Not Applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Not Applicable

(16). Provision for bad debts

Applicable Not Applicable

Including the reversed or recovered provision for bad debts with significant amount in the current period:

Applicable Not Applicable

(17). Other receivables actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of other receivables:

Applicable Not Applicable

Explanation of write-off of other receivables:

Applicable Not Applicable

(18). Top 5 other receivables in terms of ending balance presented by debtor

Applicable Not Applicable

Unit: Yuan Currency: CNY

Name	December 31, 2023	Proportion in the total balance of other receivables (%)	Nature	Aging	Balance of provision for bad debts at the end of the year
Other receivables 1	437,759,566	29	Customs-related security deposit	Within 1 year	-
Other receivables 2	164,124,678	11	Secured repayment	Over 5 years	164,124,678
Other receivables 3	65,462,896	4	Taxes on outstanding payment receivable	4-5 years	43,161,841
Other receivables 4	54,433,215	4	Advance payment	3-7 years	54,433,215
Other receivables 5	54,202,336	4	Receivables from related parties	Within 1 year	-
Total	775,982,691	52	/	/	261,719,734

(19). Presented in other receivables due to centralized fund management

Applicable Not Applicable

Other description:

Applicable Not Applicable

2023

	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Accruing proportion (%)	
Provision for bad debts accrued on an individual basis	230,764,709	15	230,764,709	100	-
Account receivable accrued for provision of bad debts according to the portfolio of the credit risk characteristics Provision for bad debts	1,300,190,544	85	54,463,103	4	1,245,727,441
Total	1,530,955,253	100	285,227,812	19	1,245,727,441

Other significant receivables with provision for bad debts accrued on an individual basis are as follows:

	2023			Reason for provision	2022	
	Book balance	Provision for bad debts	Proportion of provision (%)		Book balance	Provision for bad debts
Other receivables 1	164,124,678	164,124,678	100	Contract disputes Shortage of funds of the other party	164,124,678	164,124,678
Other receivables 2	54,433,215	54,433,215	100	Contract dispute	54,433,215	54,433,215
Total	218,557,893	218,557,893			218,557,893	218,557,893

As at December 31, 2023, other receivables with provision for bad debts accrued by portfolio are as follows:

	Book balance	Provision for impairment	Proportion of provision (%)
Aging risk portfolio	1,300,190,544	54,463,103	4

10. Inventories

(1). Classification

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023			December 31, 2022		
	Book balance	Provision for inventory depreciation/ provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation/ provision for impairment of contract performance cost	Book value
Raw materials	3,675,673,907	41,709,552	3,633,964,355	3,563,755,666	51,313,490	3,512,442,176
Goods in process	21,287,200,068	827,924,453	20,459,275,615	18,402,900,715	651,631,433	17,751,269,282
Stock commodities	26,832,901		26,832,901	20,380,324	-	20,380,324
Revolving materials						
Consumptive biological assets						
Contract performance cost	161,329,305		161,329,305	229,287,566		229,287,566
Total	25,151,036,181	869,634,005	24,281,402,176	22,216,324,271	702,944,923	21,513,379,348

(2). Provision for inventory depreciation and provision for impairment of contract performance cost

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in the current period		Decrease in the current period		December 31, 2023
		Provision	Other	Reversal or write-off	Other	
Raw materials	51,313,490	11,955,120		-21,559,058		41,709,552
Goods in process	651,631,433	347,855,229		-171,562,209		827,924,453
Stock commodities						
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Total	702,944,923	359,810,349		-193,121,267		869,634,005

Reasons for reversing or writing off the provision for inventory depreciation in the current period

Applicable Not Applicable



Accrual of provision for inventory depreciation by portfolio

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Name of portfolio	December 31, 2023			December 31, 2022		
	Book balance	Depreciation provision	Ratio of provision for inventory depreciation (%)	Book balance	Depreciation provision	Ratio of provision for inventory depreciation (%)
Sub-total of items within 1 year	3,201,984,582			3,131,101,196		
1-2 years	250,956,516			159,290,989		
2-3 years	50,082,304	2,477,163	5	56,959,288	3,059,360	5
Over 3 years	172,650,505	39,232,389	23	216,404,193	48,254,130	22
Total	3,675,673,907	41,709,552		3,563,755,666	51,313,490	

Standards of accrual of provision for inventory depreciation by portfolio

 Applicable Not Applicable**(3). The amount of capitalized borrowing costs c included in ending balance of inventories and its calculation standards and basis** Applicable Not Applicable**(4). Description of the current amortization amount of contract performance cost** Applicable Not Applicable

Other description

 Applicable Not Applicable

	Specific basis for determination of net realizable values	Reasons for provision for depreciation of inventories reversed or written-off in the current year
Raw materials and outsourced parts and components	Difference between the net realizable value of raw materials and outsourced parts and components and their book value resulting from product price fall	Value recovery, consuming or external sales
Goods in process	Difference between the net realizable value and the book value of goods in process	Value recovery, transferred for self-use or external sales

Total amount of possible penalties for failure to fulfill the obligations as contracted:

	2023	2022
Valid letter of guarantee signed by the bank	16,938,583,230	14,198,954,467
Letter of guarantee not signed by the bank	7,058,112,002	8,124,948,765
Total	23,996,695,232	22,323,903,232

11. Assets held for sale

 Applicable Not Applicable

12. Non-current assets due within one year

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Debt investment due within one year		
Other debt investments due within one year		
Long-term receivables due within one year	1,341,408,631	900,213,411
Total	1,341,408,631	900,213,411

Debt investment due within one year

Applicable Not Applicable

Other debt investments due within one year

Applicable Not Applicable

13. Other current assets

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Contract acquisition cost		
Return cost receivable		
Input tax to be deducted	459,437,837	261,819,250
Prepaid income tax	17,288,544	17,248,091
Total	476,726,381	279,067,341

14. Debt investment

(1). Particulars about debt investment

Applicable Not Applicable

Changes in provision for impairment of debt investments in the current period

Applicable Not Applicable

(2). Important debt investment at the end of the period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

Explanation of significant changes in the book balance of debt investments with changes in provisions for losses in the current period:

Applicable Not Applicable

The amount of provision for impairment in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Not Applicable

(4). Actual write-off of debt investments in the current period

Applicable Not Applicable

Including important notes for write-off of debt investments

Applicable Not Applicable

Explanation of write-off of debt investments:

Applicable Not Applicable

Other description

Applicable Not Applicable

15. Other debt investments

(1). Particulars about other debt investments

Applicable Not Applicable



Changes in provision for impairment of other debt investments in the current period

Applicable Not Applicable

(2). Important other debt investments at the end of the period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

Explanation of significant changes in the book balance of other debt investments with changes in provisions for losses in the current period:

Applicable Not Applicable

The amount of provision for impairment in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Not Applicable

(4). Other debt investments actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of other debt investments

Applicable Not Applicable

Explanation of write-off of debt investments:

Applicable Not Applicable

Other description:

Applicable Not Applicable

16. Long-term receivables

(1). Long-term receivables

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023			December 31, 2022			Discount rate range
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Financing lease							
Including: Unrealized financing income							
Goods sold on installment							
Services provided on installment							
Receivables from "Building – Transfer" project							
- Principal	2,440,824,581		2,440,824,581	3,057,984,503		3,057,984,503	
- Interest receivable	357,766,509		357,766,509	244,494,473		244,494,473	
Less: Long-term receivables due within one year	1,341,408,631		1,341,408,631	900,213,411		900,213,411	
Total	1,457,182,459		1,457,182,459	2,402,265,565		2,402,265,565	/

As at December 31, 2023 and December 31, 2022, the account receivable from “Building – Transfer” project was the principal invested in above “Building – Transfer” project by the Group, and the amount of interest receivable was the financing return recognized based on the contract.

As at December 31, 2023, the long-term accounts receivable was RMB 1,435,459,418 (as at December 31, 2022: RMB 2,212,190,758), which had been pledged to the bank as the guarantee for the long-term borrowings of RMB 3,142,068,341 (as at December 31, 2022: Long-term borrowings of RMB 2,469,639,584).

(2). Disclosure by bad debt calculation method

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Description of individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

(3). Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Description of significant changes in the book balance of long-term receivables with changes in provisions for losses in the current period:

Applicable Not Applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Not Applicable

(4). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

(5). Long-term receivable actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of long-term receivables:

Applicable Not Applicable

Explanation of write-off of long-term receivables:

Applicable Not Applicable

Other description

Applicable Not Applicable

17. Long-term equity investments

(1). Long-term equity investments

✓ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2022	Increase/decrease in the current period					Dividends or profit or loss declared to be distributed	Provision for impairment at the end of the year
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity		
I. Joint ventures								
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	364,936,081		1,466,212					366,402,293
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	396,692		75,782					472,474
ZPMC-OTL MARINE CONTRACTOR LIMITED								
Zhenhua Marine Energy (HK) Co., Ltd. (i)	632,180							632,180
Granetech Global Sdn. Bhd.	365,964,953		1,541,994					367,506,947
Sub-total								
II. Associates								
CCCC Financial Leasing Co., Ltd (i)	674,329,533		72,459,680	-816,869	-19,561,335	-104,370,656		622,040,353
CCCC Yancheng Construction Development Co., Ltd.	418,516,242							418,516,242
CCCC Estate Yixing Co., Ltd.	206,795,481		4,862,637					211,658,118
CCCC South American Regional Company SARL	194,391,003		-7,397,705	-894,845				186,098,453
China communications Construction USA Inc.	59,980,865		261,190	993,306				61,235,361
CCCC Photovoltaic Technology Co., Ltd (iii)	34,819,763		873,713					35,693,476
ZPMC Changzhou Coatings Co., Ltd.	17,759,473		5,843,354					23,602,827
Suzhou Chuanglian Electric Drive Co., Ltd.	12,632,366		-72,934					12,559,432
CCCC Xiongan Urban Construction Development Co., Ltd. (ii)	7,540,333		32,936					7,573,269
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	5,508,011		-812,409					4,695,602
ZPMC Southeast Asia Pre. Ltd	4,070,835		827,465					4,898,300
Shanghai Xingyi Construction Technology Co., Ltd.	571,067		-391,825					179,242
CCCC Marine Engineering & Technology Research Center Co., Ltd.								
Sub-total								
	1,636,914,972		76,486,102	-718,408	-19,561,335	-104,370,656		1,588,750,675
Total	2,002,879,925		78,028,096	-718,408	-19,561,335	-104,370,656		1,956,257,622

(2). Impairment test of long-term equity investments

Applicable Not Applicable

Other description

Joint ventures:

On May 5, 2014, the subsidiary of the Company and the partner invested to establish Zhenhua Marine Energy (Hong Kong) Co., Ltd (Zhenhua Marine Energy). The registered capital is USD 5,969,998. The subsidiary of the Company contributed USD 3,044,699 with the shareholding ratio of 51%. Zhenhua Marine Energy focused on the vessel transportation business. Based on the regulations of the shareholder agreement, the important events of such company shall be agreed by at least 75% shareholders via voting. Hence, the Group has no control right but jointly controls Zhenhua Marine Energy together with the partner.

Associates:

(i) On December 31, 2021, the Company transferred its 21% equity in CCCC Financial Leasing Co., Ltd to CCCC Capital Holdings Co., Ltd. by way of non-disclosure agreement. Both parties have agreed that the transition period of the aforesaid equity transfer is from July 1, 2021 to December 31, 2021, the profit or loss of the aforesaid equity during the transition period was determined based on the audited financial statements on June 30, 2021 and the audited financial statements of 2021 of CCCC Financial Leasing Co., Ltd., and the profit or loss of the target equity during the transition period shall be enjoyed or borne by the Company. On August 28, 2023, CCCC Financial Leasing Co., Ltd. signed a capital increase and share expansion agreement with each shareholder. Other shareholders increased their capital by a total of RMB 3.5 billion, and the Company's shareholding ratio dropped to 5.82%. According to relevant provisions of the Articles of Association, after the equity sale, the Company has the right to appoint one director to it, and can exert significant influence on the company.

(ii) On June 23, 2020, the Company invested to establish CCCC Xiongan Urban Construction Development Co., Ltd. The registered capital was RMB 100,000,000. The Company contributed RMB 15,000,000 with the shareholding ratio of 15%. The company was mainly engaged in the engineering construction. According to relevant provisions of the Articles of Association, the Company has the right to appoint one director to CCCC Xiongan Urban Construction Development Co., Ltd, and can exert significant influence on the company.

(iii) On November 28, 2022, the Company invested to establish CCCC Photovoltaic Technology Co., Ltd. The registered capital was RMB 200,000,000. The Company contributed RMB 60,000,000 with the shareholding ratio of 30%. The company was mainly engaged in photovoltaic power generation business. According to relevant provisions of the Articles of Association, the Company has the right to appoint one director to CCCC Photovoltaic Technology Co., Ltd, and can exert significant influence on the company.

18. Other equity instrument investment

(1). Particulars about other equity instrument investment

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase/decrease in the current period				December 31, 2023	Dividend income recognized in the current period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reasons for financial assets designated to be measured at fair value through other comprehensive income
		Further investment	Reduced investment	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period					
Hunan Fengri Power & Electric Co., Ltd.	30,657,862			706,627		29,951,235	335,790	9,953,075		Strategic investment, long-term holding
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	22,151,670			2,835,329		24,986,999		11,986,999		Strategic investment, long-term holding
Jiangsu Zhangjinggao Bridge Co., Ltd.		16,790,000				16,790,000				Strategic investment, long-term holding
Ningbo Weilong Port Machinery Co., Ltd.	5,825,195	2,000,000		7,507,981		15,333,176		12,037,176		Strategic investment, long-term holding
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	8,938,170			1,502,325		10,440,495		4,040,495		Strategic investment, long-term holding
Shenyang Weichen Crane Equipment Co., Ltd.	5,205,300			1,412,354		6,617,654		5,117,654		Strategic investment, long-term holding
Shanghai Longchang Lifting Equipment Co., Ltd. (formerly known as: ZPMC Longchang Lifting Equipment Co., Ltd.; Shanghai Zhenhua Port Machinery (Group) Longchang Lift Equipment Co. Ltd.)	697,422			42,393		739,815		60,184		Strategic investment, long-term holding
21st Century Science and Technology Investment Co., Ltd.										Strategic investment, long-term holding
Total	73,475,619	18,790,000		13,300,382	706,627	104,859,374	335,790	43,135,399	30,000,000	30,060,184

(2). Derecognition in the current period

 Applicable Not Applicable

Other description:

 Applicable Not Applicable

19. Other non-current financial assets

Applicable Not Applicable

Other description:

Applicable Not Applicable

20. Investment properties

Measurement model of investment properties

(1). Investment properties with cost measurement mode

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Land use right	Construction in progress	Total
I. Original book value				
1. Balance as at December 31, 2022	555,622,992	209,845,794		765,468,786
2. Increase in current period				
(1) Outsourcing				
(2) Transfer-in of inventories, fixed assets and construction in progress				
(3) Increase in business combination				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2023	555,622,992	209,845,794		765,468,786
II. Accumulative depreciation and amortization				
1. Balance as at December 31, 2022	245,696,668	82,277,983		327,974,651
2. Increase in current period				
(1) Provision or amortization				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2023	262,871,141	87,666,217		350,537,358
III. Provision for impairment				
1. Balance as at December 31, 2022				
2. Increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2023				
IV. Book value				
1. Book value at the end of the period	292,751,851	122,179,577		414,931,428
2. Book value at the beginning of the period	309,926,324	127,567,811		437,494,135

(2). Investment property without certificate of title

Applicable Not Applicable

(3). Impairment test of investment properties using cost measurement model

Applicable Not Applicable

Other description

Applicable Not Applicable



21. Fixed assets

Item presentation

 Applicable Not Applicable

Other description:

 Applicable Not Applicable

Fixed assets

(1). Particulars about fixed assets Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Machinery equipment	Office and electronic equipment	Transportation facilities (Excluding ship)	Ship	Total
I. Original book value						
1. Balance as at December 31, 2022	11,351,333,991	7,169,779,666	354,710,027	242,307,024	17,021,873,831	36,140,004,539
2. Increase in current period	218,248,239	229,803,715	19,737,941	16,976,788	118,705,841	603,472,524
(1) Purchase	44,892,141	142,114,789	18,236,838	16,976,788	36,739,513	258,960,069
(2) Transfer-in of construction in progress	173,356,098	86,515,214	1,107,729		13,481,579	274,460,620
(3) Increase in business combination						
(4) Exchange rate changes		1,173,712	393,374		68,484,749	70,051,835
3. Decrease in current period	28,965,274	267,986,481	15,933,939	21,416,853	94,784,341	429,086,888
(1) Disposal or scrap	28,965,274	267,986,481	15,933,939	21,416,853	94,784,341	429,086,888
4. Balance as at December 31, 2023	11,540,616,956	7,131,596,900	358,514,029	237,866,959	17,045,795,331	36,314,390,175
II. Accumulated depreciation						
1. Balance as at December 31, 2022	4,971,080,154	5,633,512,574	246,225,256	166,126,180	4,459,947,345	15,476,891,509
2. Increase in current period	367,397,563	221,791,577	35,798,816	12,947,638	605,819,355	1,243,754,949
(1) Provision	367,397,563	220,730,577	35,605,132	12,947,638	594,502,533	1,231,183,443
(2) Exchange rate changes		1,061,000	193,684		11,316,822	12,571,506
3. Decrease in current period	14,708,732	261,852,509	16,158,970	18,274,185	86,144,234	397,138,630
(1) Disposal or scrap	14,708,732	261,852,509	16,158,970	18,274,185	86,144,234	397,138,630
4. Balance as at December 31, 2023	5,323,768,985	5,593,451,642	265,865,102	160,799,633	4,979,622,466	16,323,507,828
III. Provision for impairment						
1. Balance as at December 31, 2022						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(1) Disposal or scrap						
4. Balance as at December 31, 2023						
IV. Book value						
1. Book value at the end of the period	6,216,847,971	1,538,145,258	92,648,927	77,067,326	12,066,172,865	19,990,882,347
2. Book value at the beginning of the period	6,380,253,837	1,536,267,092	108,484,771	76,180,844	12,561,926,486	20,663,113,030

(2). Temporary idle fixed assets Applicable Not Applicable**(3). Fixed assets leased out through operating lease** Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period
Vessel	3,059,506,943

(4). Fixed assets without certificate of title√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Book value	Reasons for pending certificate of title
Buildings and constructions	131,544,590	Related procedures are still in process

(5). Impairment test of fixed assets Applicable Not Applicable

Other description:

√ Applicable Not Applicable

As at December 31, 2023, the following fixed assets were taken as loan mortgage:

	Original price	Book value	Borrowings	
			Nature	Amount
Vessel	2,869,401,270	2,447,188,251	Long-term payables	1,450,784,119

As at December 31, 2022, the following fixed assets were taken as loan mortgage:

	Original price	Book value	Borrowings	
			Nature	Amount
Vessel	2,784,670,690	2,463,807,041	Long-term payables	1,658,661,470

As at December 31, 2023 and December 31, 2022, the book values of fixed assets for operating lease were as follows:

	Ship	Total
Original price		
Balance at the beginning of the current year	3,467,218,000	3,467,218,000
Balance at the end of the current year	3,467,218,000	3,467,218,000
Accumulated depreciation		
Balance at the beginning of the current year	(275,956,773)	(275,956,773)
Provision	(131,754,284)	(131,754,284)
Balance at the end of the current year	(407,711,057)	(407,711,057)
Book value		
At the end of 2023	3,059,506,943	3,059,506,943
At the beginning of 2023	3,191,261,227	3,191,261,227

As at December 31, 2023, the fixed assets with pending certificate of title were as follows:

	Book value	Reasons for pending certificate of title
Buildings and constructions	131,544,590	Related procedures are still in process

Liquidation of fixed assets

 Applicable Not Applicable**22. Construction in progress**

Item presentation

 Applicable Not Applicable



Other description:

Applicable Not Applicable

Construction in progress

(1). Particulars about construction in progress

Applicable Not Applicable

Unit: Yuan Currency: CNY

Project	December 31, 2023			December 31, 2022		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Large machinery and engineering equipment of the base under construction	4,835,173,386		4,835,173,386	4,541,537,285		4,541,537,285
Large mechanical reconstruction and upgrading project	152,526,447		152,526,447	23,250,608		23,250,608
Infrastructure construction of Changxing Base	150,003,066		150,003,066	127,496,938		127,496,938
Infrastructure construction of Nantong Base	46,772,645		46,772,645	145,778,657		145,778,657
Infrastructure construction of Nanhui Base	44,990		44,990	750,564		750,564
Total	5,184,520,534		5,184,520,534	4,838,814,052		4,838,814,052

(2). Changes of major construction in progress

Applicable Not Applicable

Unit: Yuan Currency: CNY

Project	Budget	December 31, 2022	Increase in the current period	Amount transferred into fixed assets in the current period	Other decreases in the current period	December 31, 2023	Proportion of cumulative project investment in budget (%)	Construction progress	Cumulative amount of interest capitalized	Including: capitalization of the interest in the current period	Capitalization rate for the interest in the current period (%)	Fund source
Infrastructure construction of Nantong Base	8,262,896,771	145,778,659	42,361,673	141,367,687		46,772,645	85	85				Self-owned funds
Infrastructure construction of Changxing Base	9,109,560,500	127,496,938	24,091,633	1,585,505		150,003,066	80	80	23,531,836			Self-owned funds and bank loans
Large machinery and engineering equipment of the base under construction	11,668,733,390	4,541,537,282	414,492,276	113,283,739	7,572,433	4,835,173,386	86	86	335,694,148	14,254,456	2.15	Self-owned funds and bank loans
Infrastructure construction of Nanhui Base	562,287,425	750,565	563,977	1,269,552		44,990	88	88				Self-owned funds
Large mechanical reconstruction and upgrading project	2,763,256,710	23,250,608	146,229,976	16,954,137		152,526,447	67	67				Self-owned funds
Total	32,366,734,796	4,838,814,052	627,739,535	274,460,620	7,572,433	5,184,520,534	/	/	359,225,984	14,254,456	/	/

(3). Provision for impairment of construction in progress in the current period

Applicable Not Applicable

(4). Impairment test of constructions in progress

Applicable Not Applicable

Other description

Applicable Not Applicable

Engineering materials

(5). Particulars about engineering materials

Applicable Not Applicable

23. Productive biological assets

(1). Productive biological assets with cost measurement model

Applicable Not Applicable

(2). Impairment test of productive biological assets using cost measurement model

Applicable Not Applicable

(3). Productive biological assets measured by fair value

Applicable Not Applicable

Other description

Applicable Not Applicable

24. Oil and gas assets

(1). Oil and gas assets

Applicable Not Applicable

(2). Impairment test of oil and gas assets

Applicable Not Applicable

Other description

None

25. Right-of-use assets

(1). Right-of-use assets

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Other equipment	Total
I. Original book value			
1. Balance as at December 31, 2022	31,335,535	3,619,846	34,955,381
2. Increase in current period	67,114,955	152,400	67,267,355
3. Decrease in current period	13,589,860		13,589,860
4. Balance as at December 31, 2023	84,860,630	3,772,246	88,632,876
II. Accumulated depreciation			
1. Balance as at December 31, 2022	20,030,694	2,993,236	23,023,930
2. Increase in current period	16,066,291	502,335	16,568,626
(1) Provision	16,066,291	502,335	16,568,626
3. Decrease in current period	13,589,860		13,589,860
(1) Disposal	13,589,860		13,589,860
4. Balance as at December 31, 2023	22,507,125	3,495,571	26,002,696
III. Provision for impairment			
1. Balance as at December 31, 2022			
2. Increase in current period			
(1) Provision			
3. Decrease in current period			



Item	Buildings and constructions	Other equipment	Total
(1) Disposal			
4. Balance as at December 31, 2023			
IV. Book value			
1. Book value at the end of the period	62,353,505	276,675	62,630,180
2. Book value at the beginning of the period	11,304,841	626,610	11,931,451

(2). Impairment test of right-of-use assets

Applicable Not Applicable

Other description:

None

26. Intangible assets

(1). Particulars about intangible assets

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Land use right	Patent right	Software use fee	Proprietary technology	PPP project	Total
I. Original book value						
1. Balance as at December 31, 2022	4,208,638,496		104,779,496	65,296,171	375,142,803	4,753,856,966
2. Increase in current period			21,058,386		665,181,591	686,239,977
(1) Purchase			13,485,953		665,181,591	678,667,544
(2) Internal R & D						
(3) Increase in business combination						
(4) Carried-over from construction under construction			7,572,433			7,572,433
3. Decrease in current period	60,711,874		447,735			61,159,609
(1) Disposal	60,711,874		447,735			61,159,609
4. Balance as at December 31, 2023	4,147,926,622		125,390,147	65,296,171	1,040,324,394	5,378,937,334
II. Accumulated amortization						
1. Balance as at December 31, 2022	1,062,905,984		71,911,404	65,201,807		1,200,019,195
2. Increase in current period	86,032,272		12,245,701			98,277,973
(1) Provision	86,032,272		12,245,701			98,277,973
3. Decrease in current period	12,778,922					12,778,922
(1) Disposal	12,778,922					12,778,922
4. Balance as at December 31, 2023	1,136,159,334		84,157,105	65,201,807		1,285,518,246
III. Provision for impairment						
1. Balance as at December 31, 2022						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(1) Disposal						
4. Balance as at December 31, 2023						
IV. Book value						
1. Book value at the end of the period	3,011,767,288		41,233,042	94,364	1,040,324,394	4,093,419,088
2. Book value at the beginning of the period	3,145,732,512		32,868,092	94,364	375,142,803	3,553,837,771

Remark 1: This item represents the portion that recognizes the consideration amount or the recognized construction revenue amount of relevant PPP project assets as intangible assets in accordance with the requirements of "Interpretation of Accounting Standards for Business Enterprises No. 14", and the contract assets recognized during the relevant construction period should be presented in the "Intangible assets" item in the balance sheet. As of December 31, 2023, the Group has two PPP projects under the intangible asset model, both of which are under construction. The total investment of the project is RMB

3.07 billion, and the accumulated investment is RMB 1.04 billion.

In 2023, total technology research and development expenses of the Group amounted to RMB 1,311,556,665 (2022: RMB 1,118,337,091). These technology research and development expenses are not capitalized.

(2). Land use right without certificate of title

Applicable Not Applicable

(3). Impairment test of intangible assets

Applicable Not Applicable

Other description:

Applicable Not Applicable

27. Goodwill

(1). Original book value of goodwill

Applicable Not Applicable

Unit: Yuan Currency: CNY

Name of the invested entity or the matters forming goodwill	December 31, 2022	Increase in current period		Decrease in current period		December 31, 2023
		Formed by business combination	Other	Disposal	Other	
ZPMC Qidong Marine Engineering Co., Ltd.	149,212,956					149,212,956
Verspannen B.V.	5,412,807					5,412,807
Greenland Heavy lift (Hong Kong) Limited	113,619,930		1,926,674			115,546,604
Total	268,245,693		1,926,674			270,172,367

(2). Provision for impairment of goodwill

Applicable Not Applicable

(3). Information about the asset group or portfolio of the goodwill

Applicable Not Applicable

Changes in asset group or combination of asset groups

Applicable Not Applicable

Other description

Applicable Not Applicable

(4). Specific method for determining the recoverable amount

The recoverable amount is determined based on the net amount after deducting disposal costs from the fair value

Applicable Not Applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in impairment test in previous years or external information

Applicable Not Applicable

Reasons for discrepancies between the information used in impairment test in previous years by the Company and the actual conditions of the current year

Applicable Not Applicable



(5). Performance commitment and corresponding goodwill impairment

There is a performance commitment when goodwill is formed and the reporting period or the period before the reporting period is within the performance commitment period

Applicable Not Applicable

Other description

Applicable Not Applicable

Remark 1: The decrease in the current year was caused by the translation differences of foreign currency statement.

As at December 31, 2023, the Group had no provision for the impairment of goodwill. When the impairment test is conducted, the book value of goodwill is amortized to the asset group portfolio expected to benefit from the synergistic effect of business combination.

The goodwill acquired through business combination has been distributed to the following asset groups for impairment test:

- Heavy equipment asset group
- Semi-submerged ship transport assets group of Greenland Heavylift (Hongkong) Limited (GHHL)

Heavy equipment asset group

The heavy equipment asset portfolio is mainly composed of various types of heavy equipment produced in collaboration by various production bases, which is consistent with the combination of asset groups determined by the impairment test of previous years. The beneficiary of the synergy effect from the acquisition of ZPMC Qidong Marine Engineering Co., Ltd. and Verspannen B.V. is the entire combination of asset groups of heavy equipment, and it is difficult to allocate to each asset group, so the goodwill is allocated to the combination of asset groups of heavy equipment. The recoverable amount of heavy equipment asset group is measured based on the five-year budget approved by the management and shall be measured with cash flow forecast method. Cash flow over 5-year period shall be calculated based on the estimated growth rate.

The main assumptions of the future cash flow discount method:

Growth rate during forecast period	8.87%-17.09%
Perpetual growth rate	2.30%
Gross profit rate	14.06%-15.53%
Pre-tax discount rate	12.72%

GHHL semi-submerged ship transport assets group

The combination of asset group of GHHL semi-submersible vessel transport is primarily composed of four semi-submersible vessels, which is consistent with the combination of asset groups determined by the impairment test of previous years. The recoverable amount is determined based on the expected future cash flow of the combination of asset group, and the expected future cash flow is determined according to the cash flow forecast based on the transport service contract revenue expected to be obtained within the service life of vessel.

The main assumptions of the future cash flow discount method:

Number of customized short-distance and long-distance transport service contracts expected to be obtained	4/year/vessel
Vessel utilization rate of general charter party	62.15%-84.66%
Charter rate of general charter party	USD 60,000/day
Pre-tax discount rate	11.00%

The distributions of the book value of goodwill to asset groups are as follows:

	Heavy equipment asset group		GHHL semi-submerged ship transport assets group		Total	
	2023	2022	2023	2022	2023	2022
Book amount of goodwill	154,625,763	154,625,763	115,546,604	113,619,930	270,172,367	268,245,693

The perpetual growth rate adopted by management does not exceed the industry's long-term average growth rate. Based on the historical experience and the forecasts of market development, the management determines the budget gross profit rate and adopts the pretax interest rate which can reflect the specific risk of relevant asset group portfolio as the discount rate. The above assumptions are used to analyze the recoverable amount of the asset group portfolio.

28. Long-term deferred expenses

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in the current period	Amortization in the current period	Other decreases	December 31, 2023
Improvement expenditure of fixed assets under operating lease	409,870	685,354	39,241		1,055,983
Total	409,870	685,354	39,241		1,055,983

Other description:

None

29. Deferred income tax assets/liabilities

(1). Deferred income tax assets before offsetting

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023		December 31, 2022	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	3,507,168,898	528,354,728	3,091,053,227	457,057,874
Unrealized profits of internal transactions	99,413,440	14,912,016	184,945,333	27,741,800
Estimated liabilities	147,187,314	22,078,097	146,025,378	21,903,807
Wages and salaries unpaid	29,335,075	4,400,261	29,183,742	4,377,561
Interest unpaid	16,042,710	2,406,407	27,094,840	4,064,225
Deductible loss	2,374,214,264	356,132,140	2,602,902,080	390,435,312
Unrealized contract gross profit	42,585,456	6,387,818	81,347,551	12,202,133
Lease liabilities	88,632,876	13,294,931	34,955,380	5,243,307
Total	6,304,580,033	947,966,398	6,197,507,531	923,026,019

(2). Deferred income tax liabilities before offsetting

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023		December 31, 2022	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	826,801,337	130,266,550	598,916,493	98,420,429
Changes in fair value of held-for-trading financial assets	168,131,787	25,219,768	217,813,738	32,716,168
Changes in fair value of other equity instruments	45,075,214	6,761,282	30,481,459	4,572,219
Valuation of enterprise combination assets not under the same control	79,981,605	11,997,241	89,156,113	13,373,417
Right-of-use assets	88,632,876	13,294,931	34,955,380	5,243,307
Total	1,208,622,819	187,539,772	971,323,183	154,325,540

**(3). Deferred income tax assets or liabilities presented by net amount after offset**√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Offset amount of deferred income tax assets and liabilities at the end of the period	Balance of deferred income tax assets and liabilities after offset at the end of the period	Offset amount of deferred income tax assets and liabilities at the beginning of the period	Balance of deferred income tax assets and liabilities after offset at the beginning of the period
Deferred income tax assets	54,267,502	893,698,896	55,084,568	867,941,451
Deferred income tax liabilities	54,267,502	133,272,270	55,084,568	99,240,972

(4). Details of unrecognized deferred income tax assets√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Deductible temporary differences	810,029,865	737,902,172
Deductible losses	1,202,607,348	1,419,947,439
Total	2,012,637,213	2,157,849,611

(5). The deductible losses on the unrecognized deferred income tax assets will become due in the following years√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Year	December 31, 2023	December 31, 2022	Remark
2023		373,743,427	
2024	230,620,753	244,363,628	
2025	264,416,621	304,004,857	
2026	270,525,356	271,098,107	
2027	226,737,420	226,737,420	
2028	210,307,198		
Total	1,202,607,348	1,419,947,439	/

Other description:

 Applicable Not Applicable**30. Other non-current assets**√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023			December 31, 2022		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
PPP projects completed but not settled	4,095,504,922		4,095,504,922	3,710,497,198		3,710,497,198
Contract warranty balance receivable	888,075,904	59,009,205	829,066,699	526,801,140	25,018,867	501,782,273
Advance payment for buildings				33,781,740		33,781,740
Total	4,983,580,826	59,009,205	4,924,571,621	4,271,080,078	25,018,867	4,246,061,211

Other description:

As at December 31, 2023, other non-current assets of RMB 3,616,427,706 (as at December 31, 2022: RMB 3,572,872,352) were pledged to the bank as security for long-term borrowings of RMB 3,142,068,341 (as at December 31, 2022: long-term borrowings of RMB 2,469,639,584).

The changes in the provision for impairment of the contract warranty balance receivable are as follows:

	Balance at the beginning of the current year	Provision in the current year	Reversal in the current year	Balance at the end of the current year
2023	25,018,867	54,323,860	(20,333,522)	59,009,205
2022	37,855,051	23,662,840	(36,499,024)	25,018,867

31. Assets with ownership or use rights restricted

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023				December 31, 2022			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Other non-current assets	3,616,427,706	3,616,427,706	Pledge	Pledged borrowings	3,572,872,352	3,572,872,352	Pledge	Pledged borrowings
Fixed assets	2,869,401,270	2,447,188,251	Mortgage	Mortgage borrowings	2,784,670,690	2,463,807,041	Mortgage	Mortgage borrowings
Long-term receivables	1,435,459,418	1,435,459,418	Pledge	Pledged borrowings	2,212,190,758	2,212,190,758	Pledge	Pledged borrowings
Intangible assets	1,024,431,906	1,024,431,906	Pledge	Pledged borrowings				
Accounts receivable	254,958,240	254,958,240	Pledge	Pledged borrowings	191,217,707	191,217,707	Pledge	Pledged borrowings
Contract assets	146,326,607	146,326,607	Pledge	Pledged borrowings	133,406,311	133,406,311	Pledge	Pledged borrowings
Monetary funds	72,908,531	72,908,531	Margin	Special fund, L/C deposits, L/G deposits, etc. in the overseas supervision account	21,946,276	21,946,276	Margin	Special fund, L/C deposits, L/G deposits, etc. in the overseas supervision account
Total	9,419,913,678	8,997,700,659	/	/	8,916,304,094	8,595,440,445	/	/

Other description: None

32. Short-term borrowings

(1). Classification of short-term borrowings

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Pledged borrowings		
Mortgage borrowings		
Guaranteed borrowings		
Fiduciary borrowings	4,781,640,779	1,793,682,952
Total	4,781,640,779	1,793,682,952

Description of the classification of short-term borrowings: None

(2). Overdue outstanding short-term borrowings

 Applicable Not Applicable

The important overdue outstanding short-term borrowings are as follows:

 Applicable Not Applicable

Other description

 Applicable Not Applicable

33. Held-for-trading financial liabilities

 Applicable Not Applicable



Other description

Applicable Not Applicable

34. Derivative financial liabilities

Applicable Not Applicable

35. Notes payable

(1). Presentation of notes payable

Applicable Not Applicable

Unit: Yuan Currency: CNY

Type	December 31, 2023	December 31, 2022
Commercial acceptance bill		
Bank acceptance bill	5,533,470,582	5,401,258,897
Total	5,533,470,582	5,401,258,897

The total amount of notes payable due but unpaid at the end of the period is RMB 0.

36. Accounts payable

(1). Presentation of accounts payable

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Payables for material purchase and product manufacturing	7,509,905,442	6,615,263,016
Infrastructure payables	627,800,506	168,623,915
Quality guarantee deposit payable	348,169,253	336,129,389
Equipment and vessel purchase payables	126,146,515	130,110,242
Port charge payable	4,037,422	4,996,772
Total	8,616,059,138	7,255,123,334

(2). Important accounts payable with the aging over 1 year or overdue

Applicable Not Applicable

Other description

Applicable Not Applicable

As of 2023, there are no important accounts payable with the aging over 1 year or overdue (2022: nil).

37. Advances from customers

(1). Presentation of advances from customers

Applicable Not Applicable

(2). Important advances from customers with the aging over 1 year

Applicable Not Applicable

(3). Amount of and reason for significant changes in book value during the reporting period

Applicable Not Applicable

Other description

Applicable Not Applicable

38. Contract liabilities

(1). Particulars about contract liabilities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Advances from customers for goods	17,729,437,720	12,890,180,046
Amount settled for uncompleted work	1,501,211,476	457,970,151
Total	19,230,649,196	13,348,150,197

(2). Significant contractual liability with the aging over more than 1 year

Applicable Not Applicable

(3). Amount of and reason for significant changes in book value during the reporting period

Applicable Not Applicable

Other description

Applicable Not Applicable

In 2023, there were no important contract liabilities with the aging over 1 year (2022: nil). The increase in the balance of contract liabilities at the end of this year was due to the increase in advance payments for products received but not yet delivered.

39. Payroll payable

(1). Presentation of payroll payable

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023
I. Short-term compensation	38,074,154	2,165,912,040	2,163,888,801	40,097,393
II. Post-employment benefits - defined contribution plans		343,402,784	343,402,784	
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	38,074,154	2,509,314,824	2,507,291,585	40,097,393

(2). Presentation of short-term compensation

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023
I. Salaries, bonuses, allowances and subsidies		1,736,679,152	1,736,679,152	
II. Employee welfare		83,675,744	83,675,744	
III. Social insurance premium		151,858,187	151,858,187	
Including: medical insurance premium		130,658,631	130,658,631	
Work-related injury insurance premium		9,685,709	9,685,709	
Maternity insurance premium		11,513,847	11,513,847	
IV. Housing provident funds	6,076	156,485,380	156,490,983	473
V. Union expenditures and employee education expenses	38,068,078	34,922,712	32,893,870	40,096,920
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
VIII. Other short-term compensation		2,290,865	2,290,865	
Total	38,074,154	2,165,912,040	2,163,888,801	40,097,393

**(3). Presentation of defined contribution plans**√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023
1. Basic endowment insurance premium		228,871,846	228,871,846	
2. Unemployment insurance premium		7,150,222	7,150,222	
3. Enterprise annuity payment				
4. Supplementary endowment insurance premium		107,380,716	107,380,716	
Total		343,402,784	343,402,784	

Other description:

 Applicable Not Applicable**40. Tax payable**√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
VAT	128,853,878	68,911,314
Consumption tax		
Sales tax		
Enterprise income tax	47,342,318	64,624,716
Individual income tax	20,428,867	21,435,047
Urban maintenance and construction tax	61,251,495	33,026,021
Education surtax	44,474,506	24,265,964
Others	22,290,070	25,840,813
Total	324,641,134	238,103,875

Other description:

None

41. Other payables**(1). Item presentation**√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Interest payable		
Dividends payable	6,593	6,593
Other payables	1,021,369,667	1,314,681,722
Total	1,021,376,260	1,314,688,315

Other description:

 Applicable Not Applicable**(2). Interest payable**

Presentation by category

 Applicable Not Applicable

Overdue significant interests payable:

 Applicable Not Applicable

Other description:

Applicable Not Applicable

(3). Dividends payable

Presentation by category

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Common stock dividends		
Preferred stock/perpetual debt dividends classified as equity instruments		
Preferred stock/perpetual debt dividends-XXX		
Preferred stock/perpetual debt dividends-XXX		
Dividends payable -XXX		
Dividends payable - Macau Zhenhua Harbour Construction Co., Ltd.	6,593	6,593
Total	6,593	6,593

Other explanations, including important dividends payable that have not been paid for more than one year, the reasons for non-payment shall be disclosed:

As at December 31, 2023, the reason for the dividend payable with the aging over 1 year amounting to RMB 6,593 (as at December 31, 2022: RMB 6,593) was that the shareholders of the Company had not requested for actual payment by the Group.

(4). Other payables

Other payables presented by nature

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Engineering deposit and quality guarantee deposit	382,408,621	355,583,851
Customer collection under asset-backed special program	259,786,783	611,100,377
Amounts due to related parties	125,184,859	14,907,689
Special payables	14,963,440	14,963,440
Others	239,025,964	318,126,365
Total	1,021,369,667	1,314,681,722

Other important payables with the aging over 1 year or overdue

Applicable Not Applicable

Other description:

Applicable Not Applicable

Aging analysis of other payables is as follows:

	2023		2022	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	905,317,709	89	1,202,456,256	91
Over 1 year	116,051,958	11	112,225,466	9
Total	1,021,369,667	100	1,314,681,722	100

As at December 31, 2023, there were no other significant payables aged over 1 year or overdue.

42. Liabilities held for sale

Applicable Not Applicable



43. Non-current liabilities due within one year

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Long-term borrowings due within one year	8,479,586,192	6,543,553,353
Bonds payable due within one year		
Long-term payables due within one year	141,133,271	413,188,297
Lease liabilities due within one year	29,980,926	4,703,568
Total	8,650,700,389	6,961,445,218

Other description: None

44. Other current liabilities

Other current liabilities

Applicable Not Applicable

Increase or decrease of short-term bonds payable:

Applicable Not Applicable

Other description:

Applicable Not Applicable

45. Long-term borrowings

(1). Classification of long-term borrowings

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Pledged borrowings	3,142,068,341	2,469,639,584
Mortgage borrowings		
Guaranteed borrowings		
Fiduciary borrowings	20,442,741,930	25,093,486,415
Less: Long-term borrowings due within one year		
Fiduciary borrowings	-8,192,403,215	-6,152,492,930
Pledged borrowings	-287,182,977	-391,060,423
Total	15,105,224,079	21,019,572,646

Description of the classification of long-term borrowings:

None

Other description:

Applicable Not Applicable

As at December 31, 2023, the annual interest rate on the aforesaid borrowings ranges from 1.20% to 4.4% (as at December 31, 2022: 1.20% to 5.46%).

(i) As at December 31, 2023, the total amount of multiple pledged loans amounting to RMB 3,142,068,341 (as at December 31, 2022: RMB 2,469,639,584) took the long-term accounts receivable, other non-current assets, contract assets and accounts receivable of the PPP projects of the Group as pledge. See VII (16), VII (30), VII (6) and VII (5). The interest shall be paid quarterly, and the principal shall be repaid between June 14, 2024 and March 25, 2050 (as at December 31, 2022: the principal shall be repaid between June 15, 2023 and August 27, 2033).

46. Bonds payable

(1). Bonds payable

Applicable Not Applicable

(2). Details of bonds payable: (Excluding other financial instruments such as preferred stocks and perpetual capital securities classified as financial liabilities)

Applicable Not Applicable

(3). Explanation of convertible corporate bonds

Applicable Not Applicable

Accounting treatment and judgment basis for equity transfer

Applicable Not Applicable

(4). Description of other financial instruments classified as financial liabilities

Basic information of outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not Applicable

Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not Applicable

Description of the basis for classifying other financial instruments as financial liabilities:

Applicable Not Applicable

Other description:

Applicable Not Applicable

47. Lease liabilities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Buildings and constructions	61,251,331	11,634,161
Other equipment	277,779	746,114
Less: Lease liabilities due within one year		
Buildings and constructions	29,931,702	3,996,022
Other equipment	49,224	707,546
Total	31,548,184	7,676,707

Other description:

None

48. Long-term payables

Item presentation

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Long-term payables	1,744,502,983	1,931,340,734
Special payables		
Total	1,744,502,983	1,931,340,734



Other description:

 Applicable Not Applicable

	2023	2022
Leaseback financing fund (i)	1,450,784,119	1,658,661,470
Ship purchase payable	-	208,938,000
"Building - transfer" and PPP project fund (ii)	262,957,217	243,811,149
Project quality guarantee deposit	171,894,918	233,118,412
Less: Leaseback financing fund due within one year	141,133,271	413,188,297
Total	1,744,502,983	1,931,340,734

(i) As at December 31, 2023, the long-term payables of RMB 1,450,784,119 (as at December 31, 2022: RMB 1,658,661,470) were obtained from the vessel with the book value of RMB 2,447,188,251 (as at December 31, 2022: RMB 2,463,807,041) in leaseback way from the financial leasing company, with the maturity date from January 24, 2024 to July 24, 2033 (as at December 31, 2022: from January 24, 2023 to July 24, 2033). The Group will pay the leaseback financing fund on schedule each year to the financial leasing company in accordance with the contract terms. The Group takes the above series of transactions as mortgage loans for accounting treatment.

(ii) The Group and the construction party of "building-transfer" and PPP project agreed that part of the project payments would be paid to the construction party after the final acceptance of the "building-transfer" project within a certain term.

Long-term payables**(1). Presentation of long-term payables by nature** Applicable Not Applicable**Special payables****(2). Presentation of special payables by nature** Applicable Not Applicable

49. Long-term payroll payable

 Applicable Not Applicable

50. Estimated liabilities

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	December 31, 2023	Causes
External guarantee			
Pending litigation			
Product quality guarantee deposit			
Restructuring obligations			
Loss contracts to be executed			
Refund payable			
Others			
Estimated after-sale service cost	168,241,316	168,217,597	
Total	168,241,316	168,217,597	/

Other description, including relevant important assumptions and estimates of important estimated liabilities:

The Group's estimated liabilities is the provision for after-sales service costs. The Group has formulated a budget for after-sales service costs based on the actual historical after-sales service costs of similar products in similar sales areas, which makes provision for estimated liabilities in accordance with the budget amount when the products are sold, and reduces the estimated liabilities when after-sales services are actually performed.

51. Deferred income

Deferred income

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023	Causes
Government subsidies	298,502,179	65,409,616	27,774,014	336,137,781	
Land compensation	33,917,201		1,000,000	32,917,201	
Total	332,419,380	65,409,616	28,774,014	369,054,982	/

Other description:

√ Applicable Not Applicable

Among the above government subsidies, some projects are government subsidies related to assets, and the rest are related to income.

Land compensation refers to the land compensation acquired by a subsidiary of the Company, which shall be amortized over the 50 years' land use term.

52. Other non-current liabilities

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Contract liabilities		
Output tax to be carried forward	247,185,330	181,805,207
Total	247,185,330	181,805,207

Other description:

On balance sheet date, the revenue of some construction contracts and interest income of "building-transfer" projects of the Company had not reached the time point of the VAT liability.

53. Share capital

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

	December 31, 2022	Increase/decrease (+/-)					December 31, 2023
		New shares issued	Share donation	Housing fund Conversion into shares	Others	Sub-total	
Total shares	5,268,353,501						5,268,353,501

Other description:

2023

	Beginning balance	Increase/decrease in the current year					Ending balance
		New shares issued	Stock dividend	Common reserves capitalizing	Other	Sub-total	
Shares without trading limited conditions							
- RMB ordinary shares	3,321,997,661	-	-	-	-	-	3,321,997,661
- Foreign shares listed domestically	1,946,355,840	-	-	-	-	-	1,946,355,840
Total	5,268,353,501	-	-	-	-	-	5,268,353,501



2022

	Beginning balance	Increase/decrease in the current year				Sub-total	Ending balance
		New shares issued	Stock dividend	Common reserves capitalizing	Other		
Shares without trading limited conditions							
- RMB ordinary shares	3,321,997,661	-	-	-	-	-	3,321,997,661
- Foreign shares listed domestically	1,946,355,840	-	-	-	-	-	1,946,355,840
Total	5,268,353,501	-	-	-	-	-	5,268,353,501

54. Other equity instruments

(1). Basic information of outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not Applicable

(2). Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not Applicable

Unit: Yuan Currency: CNY

Outstanding financial instruments	Beginning		Increase in current period		Decrease in current period		Ending	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Shanghai Zhenhua Heavy Industries Co., Ltd. 2022 medium-term notes series I	5,000,000	500,000,000					5,000,000	500,000,000
Total	5,000,000	500,000,000					5,000,000	500,000,000

Description of the increase and decrease of other equity instruments in the current period, reasons for changes, and basis for relevant accounting treatment:

Applicable Not Applicable

Other description:

Applicable Not Applicable

The Group issued the perpetual notes on August 24, 2022, with a term of 3+N (3) years, which will survive for a long time before the Group redeems in accordance with the terms of issue, and will mature when the issuer redeems in accordance with the terms of issue. The initial coupon of perpetual notes is 3.22%. In accordance with the terms of issue of medium-term notes, the Company has the right to distribute cash interest annually at annual interest rate and has no contractual obligation to repay the principal or pay any interest free of charge. Except for compulsory interest payment, on each interest payment date of medium-term notes, the Group may, at its own option, postpone the payment of current interest and all deferred interest and its fruits in accordance with this clause to the next interest payment date, and is not limited by the number of deferred interest payments. On the reset date of the coupon rate of medium-term notes, the Company has the right to redeem the medium-term notes at face value plus interest payable (including all deferred interest payments). The Group deems that the notes do not meet the definition of financial liabilities and therefore classifies it as other equity instruments.

55. Capital reserves

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023
Share premium	4,537,774,553			4,537,774,553
Other equity changes in investees accounted for by the equity method			19,561,335	-19,561,335
Business combination under common control	-16,203,111			-16,203,111
Purchase of minority interest	6,950,038			6,950,038
Absorption of minority shareholders' investments by subsidiaries	185,934,674	59,636,398		245,571,072
Transfer-in of capital reserves under the original system	128,059,561			128,059,561
Total	4,842,515,715	59,636,398	19,561,335	4,882,590,778

Other description, including the increase and decrease in the current period and the reasons for changes:

56. Treasury stock

 Applicable Not Applicable

57. Other comprehensive income

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period							December 31, 2023
	December 31, 2022	Pre-tax amount	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in the other comprehensive income and currently transferred to retained earnings	Less: income tax	Attributable to the parent company after tax	Attributable to the minority equity after tax	
I. Other comprehensive income that can't be reclassified into profit and loss	-4,090,759	12,593,755			1,889,063	10,704,692		6,613,933
Including: Remeasure the variation of net indebtedness or net asset of defined benefit plan								
Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method								
Fair value change of other equity instrument investments	-4,090,759	12,593,755			1,889,063	10,704,692		6,613,933
Fair value change of enterprise credit risks								
II. Other comprehensive income that will be reclassified into profit and loss	28,956,746	34,720,674				23,429,623	11,291,051	52,386,369
Including: Other comprehensive income that will be reclassified into profit and loss under equity method	-6,513,064	-718,408				-718,408		-7,231,472
Fair value change of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								
Translation reserve	35,469,810	35,439,082				24,148,031	11,291,051	59,617,841
Total other comprehensive income	24,865,987	47,314,429			1,889,063	34,134,315	11,291,051	59,000,302



Other description, including the adjustment of the initial recognition amount of the effective part of profit or loss of cash flow hedging converted into the hedged item:

None

58. Special reserves

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current Bperiod	Decrease in current period	December 31, 2023
Work safety expenses	2,945,560	76,585,293	69,005,759	10,525,094
Total	2,945,560	76,585,293	69,005,759	10,525,094

Other description, including the increase and decrease in current period and the reasons for changes:

According to the relevant requirements of the "Administrative Measures for the Withdrawal and Use of Work Safety Expenses", the enterprises engaged in large-scale machinery manufacture and engineering construction shall withdraw the work safety expenses according to the standards. The increase or decrease in current year was the work safety expenses withdrawn and used by the Group for the reporting year in accordance with relevant requirements.

59. Surplus reserves

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023
Statutory surplus reserves	1,411,540,008	7,386,369		1,418,926,377
Discretionary surplus reserves	292,378,668			292,378,668
Reserve fund				
Enterprise development fund				
Others				
Total	1,703,918,676	7,386,369		1,711,305,045

Description of surplus reserves, including the increase and decrease in current period and the reasons for changes:

In accordance with the Company Law of the People Republic of China, the Company's Articles of Association and the resolutions of the Board of Directors, the Company withdrew 10% of its net profit as statutory surplus reserves. When the accumulated amount of statutory surplus reserves reaches 50% or more of the share capital, the Company can stop the withdrawal.

The statutory surplus reserves can be used to compensate loss upon approval, or to increase share capital. The statutory surplus reserves withdrawn by the Company amounted to RMB 7,386,369 in 2023 (2022: RMB 24,660,180).

60. Undistributed profits

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Current period	Previous period
Undistributed profits at the end of previous period before adjustment	2,825,870,678	2,767,511,301
Total undistributed profits at the beginning of the adjustment period (increase +, decrease -)		
Undistributed profits at the beginning of the period after adjustment	2,825,870,678	2,767,511,301
Plus: Net profit attributable to owners of the parent company	519,978,765	371,937,232
Less: withdrawal of statutory surplus reserves	7,386,369	24,660,180
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk preparation		

Item	Current period	Previous period
Common stock dividends payable		
Common stock dividends converted to share capital		
Distribution of cash dividends on common stock		263,417,675
Distribution of interest on the perpetual medium-term notes	13,685,000	25,500,000
Undistributed profits at the end of the period	3,324,778,074	2,825,870,678

Details of undistributed profit at the beginning of adjustment period:

1. Due to the retroactive adjustment of "Accounting Standards for Business Enterprises" and related new regulations, the impact on undistributed profits at the beginning of the period was RMB 0.
2. The impact of changes in accounting policies on undistributed profits at the beginning of the period was RMB 0.
3. The impact of correction of major accounting errors on undistributed profits at the beginning of the period was RMB 0.
4. The impact of change of consolidation scope caused by the common control on undistributed profits at the beginning of the period was RMB 0.
5. The total impacts of other adjustment on undistributed profits at the beginning of the period were RMB 0.

61. Operating revenue and operating costs

(1). Operating revenue and operating costs

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	32,742,292,225	28,407,567,714	30,025,614,821	26,014,865,348
Other business	190,971,577	72,818,080	166,178,166	130,566,638
Total	32,933,263,802	28,480,385,794	30,191,792,987	26,145,431,986

(2). Breakdown of operating income and operating cost

Applicable Not Applicable

Unit: Yuan Currency: CNY

Classification of Contract	XXX-Division		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Type of goods				
Port machinery			21,236,864,182	17,769,268,798
Heavy equipment			5,422,715,054	5,139,018,033
Steel structures and related revenue			3,166,048,520	2,883,527,923
Engineering construction projects			1,528,578,218	1,551,493,106
Shipping and lifting services			1,209,116,050	875,048,926
Lease income			296,335,872	219,473,544
Sales of materials and others			73,605,906	42,555,464
By region of operation				
Chinese Mainland			18,521,970,127	16,523,483,271
Asia (excluding Chinese Mainland)			6,029,644,681	4,952,941,475
North America			2,386,479,118	2,039,827,384
Africa			2,032,771,314	1,515,235,643
Europe			1,096,740,543	1,231,226,688
South America			1,183,625,912	901,491,572
Chinese Mainland (export sales)			964,530,587	746,929,906
Oceania			717,501,520	569,249,855
Market or customer type				
Contract type				



Classification of Contract	XXX-Division		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs
By time of goods transfer				
Transfer at a certain point			23,223,967,887	19,854,414,170
Transfer within a certain period			9,709,295,915	8,625,971,624
By contract term				
By sales channel				
Total			32,933,263,802	28,480,385,794

Other description:

Applicable Not Applicable

(3). Performance obligations

Applicable Not Applicable

(4). Apportionment to remaining performance obligations

Applicable Not Applicable

(5). Major contract changes or major transaction price adjustments

Applicable Not Applicable

Other description:

The revenue recognized in the current year and included in the book value of contract liabilities at the beginning of the year is as follows:

	2023	2022
Advances from customers for goods	6,537,380,834	5,392,655,435
Settled amount with unfinished construction	406,509,673	280,680,980
Total	6,943,890,507	5,673,336,415

The revenue recognized in the current year for performance obligations that have been fulfilled (or partially fulfilled) in the previous period is as follows:

	2023	2022
Steel structure and related income	2,667,439,984	807,002,969
Engineering construction projects	1,528,578,218	1,613,996,721
Total	4,196,018,202	2,420,999,690

The information related to performance obligations of the Group is as follows:

Sales of port machinery, heavy equipment and steel structure products

For the port machinery production contract that meets the performance obligations within a certain period of time, the Group performs its performance obligations within the time of manufacturing and transferring the port machinery; for the port machinery production contract that does not meet the performance obligations within a certain period of time, the Group performs its obligations when delivering port machinery to customers and obtaining pre-delivery certificate or other relevant delivery certificates. For the heavy equipment production contract that meets the performance obligations within a certain period of time, the Group performs its performance obligations within the time of manufacturing and transferring the heavy equipment; for the heavy equipment production contract that does not meet the performance obligations within a certain period of time, the Group performs its obligations when delivering heavy equipment to customers and obtaining the handover protocol or other relevant delivery certificate. For the steel structure product manufacturing contract that meets the performance obligations within a certain period of time, the Group performs its performance obligations within the time of manufacturing and transferring the steel structure product; for the steel structure product manufacturing contract that does not meet the performance obligation within a certain period of time, the Group performs its performance obligations when the steel structure product is delivered and signed by the owner. The contract price is usually paid according to the payment schedule agreed in the contract. After the delivery of

the goods, the customer usually retains a certain proportion of the quality guarantee deposit, which is usually paid after the expiration of the quality guarantee period. The Group provides guaranteed warranty for the above products.

Building services

The Group performs its performance obligations within the time of providing services, and the contract price is usually paid within 30 days after the settlement of the project. The customer usually retains a certain proportion of the quality guarantee deposit, which is usually paid after the expiration of the quality guarantee period.

Shipping services

The Group performs its performance obligations within the time of providing transportation services. The contract price is usually paid within the period from 3 days before unloading to 30 days after unloading.

62. Taxes and surcharges

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Sales tax		
Urban maintenance and construction tax	104,097,505	45,473,679
Educational surtax	76,075,161	34,681,141
Resource tax		
Housing property tax	58,774,780	46,741,623
Land use tax	22,714,667	18,768,826
Vehicle and vessel use tax		
Stamp duty	27,381,428	26,389,258
Others	2,256,084	2,704,930
Total	291,299,625	174,759,457

Other description: None

63. Selling and distribution expenses

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	127,513,128	145,325,870
Warehousing and transportation expenses	20,416,858	2,461,363
Travel expenses	15,943,403	9,827,870
Entertainment expenses	12,354,694	4,040,238
Regional operating expenses	11,073,494	
Advertising and publicity costs	11,030,729	3,795,628
Bidding and tendering expenses	3,431,535	2,796,037
Office expenses	2,127,577	2,159,960
Sales and service fees	1,148,066	1,811,427
Other	6,321,709	4,587,271
Total	211,361,193	176,805,664

Other description: None

64. General and administrative expenses

Applicable Not Applicable



Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	436,308,835	422,344,628
Amortization of intangible assets	95,551,707	90,354,954
Office expenses	59,250,407	58,616,600
Depreciation of fixed assets	41,878,893	62,513,546
Informatization expenses	39,164,783	16,683,023
Travel expenses	29,759,126	20,418,253
Expenses from employment of intermediaries	28,892,009	42,781,830
Consulting fees	24,404,406	9,903,413
Management and security fees	23,872,303	23,089,221
Management and cleaning fees	16,946,187	15,760,356
Entertainment expenses	10,800,158	5,927,002
Maintenance cost	9,487,567	3,518,407
Insurance expenses	7,466,936	6,053,437
Others	25,400,119	57,725,498
Total	849,183,436	835,690,168

Other description: None

65. Research and development expenses

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	616,931,085	560,361,835
Materials expenses	394,464,827	300,416,273
Processing expenses	172,861,680	144,441,413
Depreciation expenses	94,644,503	85,911,765
Product design expenses	2,497,150	126,214
Others	30,157,420	27,079,591
Total	1,311,556,665	1,118,337,091

Other description: None

66. Financial expenses

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	996,663,353	1,083,262,216
Less: Capitalized amount of interest	30,797,541	44,941,151
Less: interest income	429,793,598	413,595,714
Exchange losses/gains	-44,672,150	98,700,929
Others	54,650,386	51,653,597
Total	546,050,450	775,079,877

Other description:

The capitalized amounts of borrowing costs have been included in the construction in progress and intangible assets.

67. Other income

Applicable Not Applicable

Unit: Yuan Currency: CNY

Classification by nature	Amount incurred in the current period	Amount incurred in the previous period
Fiscal appropriation	69,206,574	75,734,113
Technological subsidy	26,342,363	23,979,691
Fiscal appropriation	2,740,400	3,300,400
Land compensation	1,000,000	1,000,000
Total	99,289,337	104,014,204

Other description:

None

68. Investment income

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment calculated under the equity method	78,028,096	170,402,945
Investment income from disposal of long-term equity investment		-95,166
Investment income from held-for-trading financial assets during the holding period	42,373,171	60,831,663
Dividend income from other equity instrument investment during holding	335,790	335,790
Interest income from debt investment during holding		
Interest income from other debt investment during holding		
Investment income from disposal of held-for-trading financial assets	79,113,455	5,843
Investment income from disposal of other equity instrument investment		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Income from debt restructuring		
Losses on derecognition of financial assets measured at amortized cost	-115,312,416	-20,135,378
Others	-16,628,696	-6,986,339
Total	67,909,400	204,359,358

Other description:

The Group derecognized some financial assets measured at amortized cost this year, recognized a loss of RMB 115,312,416 (2022: loss of RMB 20,135,378) and included it in investment income.

69. Net exposure hedging gain

 Applicable Not Applicable

70. Income from fair value change

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Sources of income from fair value change	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	-27,339,814	-276,050,580
Including: income from fair value change of derivative financial instruments		
Held-for-trading financial liabilities		
Investment property measured at fair value		
Investment in listed company stocks	-27,339,814	-276,050,580
Total	-27,339,814	-276,050,580



Other description: None

71. Credit impairment loss

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of notes receivable		
Loss on bad debts of accounts receivable	255,353,083	322,159,775
Loss on bad debts of other receivables	20,957,012	23,996,659
Loss on impairment of debt investment		
Loss on impairment of other debt investment		
Loss on bad debts of long-term receivables		
Impairment loss related to financial guarantees		
Loss on impairment of contract assets		
Total	276,310,095	346,156,434

Other description: None

72. Assets impairment losses

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Impairment loss of contract assets	135,250,939	9,832,764
II. Loss on price falling of inventory and impairment loss of contract performance costs	293,593,261	82,677,874
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets		
VI. Impairment loss of engineering materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Goodwill impairment loss		
XII. Others		
Total	428,844,200	92,510,638

Other description: None

73. Income from disposal of assets

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from disposal of fixed assets	79,038,662	66,186,622
Total	79,038,662	66,186,622

Other description:

None

74. Non-operating income

Non-operating income

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring profit or loss in current period
Total gains from disposal of non-current assets			
Including: Gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains from exchange of non-monetary assets			
Accepting donations			
Government grants irrelevant to daily activities	8,191,485	2,401,743	8,191,485
Revenue from insurance indemnity	1,828,986	6,501,309	1,828,986
Amercement gains	14,192,396	9,835,517	14,192,396
Others	6,031,102	13,401,038	6,031,102
Total	30,243,969	32,139,607	30,243,969

Other description:

 Applicable Not Applicable

75. Non-operating expenditure

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring profit or loss in current period
Total loss on disposal of non-current assets			
Including: Loss on disposal of fixed assets			
Loss on disposal of intangible assets			
Loss on exchange of non-monetary assets			
External donations	845,060	385,000	845,060
Overdue fine payment	468,430	1,551,733	468,430
Others	942,739	499,362	942,739
Total	2,256,229	2,436,095	2,256,229

Other description:

None

76. Income tax expenses

(1). Table of income tax expenses

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	132,228,250	130,622,921
Deferred income tax expenses	6,384,790	-72,950,481
Total	138,613,040	57,672,440

(2). Accounting profit and income tax expenses adjustment process

 Applicable Not Applicable



Unit: Yuan Currency: CNY

Item	Amount incurred in the current period
Total profits	785,157,669
The income tax expenses calculated based on statutory/applicable tax rates	117,773,650
Influences caused by different tax rates adopted by subsidiaries	41,354,129
Influences caused by adjustment on income tax of previous periods	6,286,247
Influences on non-taxable income	
Influences caused by non-deductible cost, expenses and losses	26,399,843
Influences caused by non-confirmation of deductible losses of deferred income tax assets	-22,253,408
Influences caused by non-confirmation of deductible temporary differences or deductible losses in current period	25,522,344
Profit or loss attributable to joint ventures and associates	-11,704,214
Tax-free income	-6,406,344
Additional deduction of technological development expenses	-38,359,207
Income tax expenses	138,613,040

Other description:

Applicable Not Applicable

77. Other comprehensive income

Applicable Not Applicable

See Note VII (57) for details.

78. Cash flow statement items

(1). Cash related to operating activities

Other cash received related to operating activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Other cash received related to operating activities		
Customs deposit recovered	486,274,294	155,522,957
Cash received from government subsidies and rewards	148,812,282	70,312,363
Employee loan recovered	1,146,162	1,559,111
Cash received from the revenue from fines	14,192,396	9,835,517
Others	26,533,441	6,773,148
Total	676,958,575	244,003,096

Description of other cash received related to operating activities:

None

Other cash paid related to operating activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Other cash paid related to operating activities		
Customs deposit paid	350,474,800	294,392,928
Expenditures on selling and distribution expenses, general and administrative expenses, and research and development expenses	266,807,164	361,009,064

Item	Amount incurred in the current period	Amount incurred in the previous period
Financial expenses and handling charges	52,173,270	51,626,667
Subsidy for research and development paid to cooperative units	4,683,000	20,301,000
Others	82,883,957	69,972,683
Total	757,022,191	797,302,342

Description of other cash paid related to operating activities:

None

(2). Cash related to investment activities

Cash received related to important investment activities

Applicable Not Applicable

Cash paid related to important investment activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash paid for purchase of fixed assets, constructions in progress and intangible assets	746,956,678	488,778,059
Total	746,956,678	488,778,059

Explanation of cash paid related to important investment activities

None

Other cash received related to investing activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest income	114,994,970	209,457,444
Total	114,994,970	209,457,444

Description of other cash received related to investing activities:

None

Other cash paid related to investing activities

Applicable Not Applicable

(3). Cash relating to financing activities

Other cash received relating to financing activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Other cash received relating to financing activities		
Payments received from asset-backed securities business	1,015,336,873	611,100,377
Loans received from related parties	114,035,638	
Leaseback payments received	4,945,820	4,696,898
Restricted bank deposits recovered		2,310,473
Total	1,134,318,331	618,107,748



Description of other cash received related to financing activities: None

Other cash paid related to financing activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Other cash paid related to financing activities		
Repayment of collections from asset-backed securities business	1,366,650,466	
Third-party loan repaid	153,990,350	98,957,097
Related-party loan repaid	97,675,112	223,206,280
Repayment of principal of medium-term notes		500,000,000
Deposited restricted monetary funds		4,973,788
Others	19,949,071	11,207,706
Total	1,638,264,999	838,344,871

Description of other cash paid related to financing activities: None

Changes in various liabilities arising from financing activities

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	Increase in current period		Decrease in current period		December 31, 2023
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Long-term loans (including long-term loans due within one year)	27,563,125,999	7,251,082,158		11,221,602,693	7,795,193	23,584,810,271
Long-term payables - leaseback financing (including long-term payables due within one year - leaseback financing)	1,658,661,470	4,945,820	36,846,587	249,669,758		1,450,784,119
Lease liabilities (including lease liabilities due within one year)	12,380,275		67,267,355	18,118,520		61,529,110
Other payables (asset-backed securities business funds)	611,100,376	1,015,336,873		1,366,650,466		259,786,783
Other payables (minority shareholders' loans)		114,035,638				114,035,638
Short-term borrowings	1,793,682,952	19,415,217,410	2,856,987	16,426,290,316	3,826,254	4,781,640,779
Total	31,638,951,072	27,800,617,899	106,970,929	29,282,331,753	11,621,447	30,252,586,700

(4). Explanation of cash flows presented on a net basis

Applicable Not Applicable

(5). Major activities and financial impacts that do not involve current cash receipts and payments but affect the Company's financial position or may affect the Company's cash flows in the future

Applicable Not Applicable

In 2023, the Group's endorsement transfer of bank acceptance bill received from sales of goods and rendering of services for the purchase of goods and the receipt of services was RMB 2,008,953,329 (2022: RMB 1,312,121,165).

79. Further information on cash flow statement

(1). Further information on cash flow statement

Applicable Not Applicable

Unit: Yuan Currency: CNY

Further information	Current amount	Previous amount
1. Reconciliation from net profits to cash flows from operating activities:		
Net profit	646,544,629	597,562,348
Plus: provision for impairment of assets	428,844,200	92,510,638
Credit impairment loss	276,310,095	346,156,434
Depreciation of fixed assets, oil and gas assets and productive biological assets	1,253,746,150	1,173,015,684
Amortization of right-of-use assets	16,568,626	11,582,968
Amortization of intangible assets	98,317,214	93,385,465
Amortization of long-term deferred expenses		
Net proceeds from disposal of fixed assets and intangible assets	-79,038,662	-66,186,622
Loss on retirement of fixed assets (gains expressed with "-")		
Loss on change in fair value	27,339,814	276,050,580
Financial expenses	541,719,273	488,026,167
Investment losses (gains expressed with "-")	-199,850,512	-231,481,075
Increase of deferred income tax assets	-25,757,445	-94,235,777
Increase of deferred tax liabilities	32,142,235	21,285,296
Increase of inventory	-3,137,886,056	-1,108,554,285
(Increase)/decrease in operational receivable items	-1,126,815,296	61,780,602
Increase of operational payables	5,763,954,705	2,585,383,305
Decrease/(increase) in construction contract amount	659,138,239	-1,678,870,361
Increase in special reserve	8,907,237	1,152,656
Others		
Net cash flow from operating activities	5,184,184,446	2,568,564,023
2. Significant investment and financing activities not involving cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	5,032,169,905	2,375,101,437
Less: Beginning balance of cash	2,375,101,437	4,449,837,877
Plus: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase of cash and cash equivalents	2,657,068,468	-2,074,736,440

(2). Net cash paid to acquire subsidiaries in current period

□ Applicable ✓ Not Applicable

(3). Net cash received from disposal of subsidiaries in current period

□ Applicable ✓ Not Applicable

(4). Composition of cash and cash equivalents

✓ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
I. Cash	5,032,169,905	2,375,101,437
Including: cash on hand	494,809	1,027,476
Bank deposit readily available for payment	5,031,675,096	2,374,073,961
Other monetary capital readily available for payment		
Deposits with central bank available for payment		
Deposits in other banks		



Item	December 31, 2023	December 31, 2022
Borrowings from other banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the end of period		
Including: restricted cash and cash equivalents of parent company or subsidiaries within the Group	5,032,169,905	2,375,101,437

(5). Situations where the scope of use is limited but still presented as cash and cash equivalents

Applicable Not Applicable

(6). Monetary fund not classified into cash and cash equivalents

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022	Reason
Judicial frozen funds	30,861,000	3,824,971	Capital frozen
Guarantee and L/C deposit	30,848,391	16,272,632	Margin
Funds in overseas regulatory accounts	11,199,140	1,848,673	Restricted use
Total	72,908,531	21,946,276	/

Other description:

Applicable Not Applicable

80. Notes to items in statement of owner's equity

State the name of "other" items and the amount of adjustment to the ending balance of previous year:

Applicable Not Applicable

81. Foreign currency monetary items

(1). Foreign currency monetary items

Applicable Not Applicable

Unit: Yuan

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
Monetary funds	-	-	
Including: USD	314,777,061	7.0827	2,229,471,490
EUR	52,818,794	7.8592	415,113,466
INR	377,614,228	0.0855	32,286,016
RUB	290,679,489	0.0803	23,341,563
ZAR	48,579,384	0.3819	18,552,467
AUD	2,957,339	4.8484	14,338,362
MYR	3,564,558	1.5415	5,494,766
AED	2,637,281	1.9326	5,096,809
GBP	479,856	9.0411	4,338,426
KRW	666,837,658	0.0055	3,667,607
SGD	216,448	5.3772	1,163,884
HKD	939,621	0.9062	851,485
SAR	267,234	1.8926	505,767
BRL	268,892	1.4658	394,142
LKR	2,839,038	0.0220	62,459
JPY	903,679	0.0502	45,365
KES	905,875	0.0453	41,036

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
GHS	43,517	0.5969	25,975
CAD	269	5.3673	1,444
NZD	5	4.4991	22
Accounts receivable	-	-	-
Including: USD	730,962,639	7.0827	5,177,189,083
EUR	105,110,716	7.8592	826,086,139
RUB	2,072,438,961	0.0803	166,416,849
AED	50,160,285	1.9326	96,939,767
SGD	17,281,802	5.3772	92,927,706
KRW	7,081,157,603	0.0055	38,946,367
LKR	1,402,601,035	0.0220	30,857,223
GBP	3,191,666	9.0411	28,856,171
CAD	4,842,537	5.3673	25,991,349
INR	299,935,274	0.0855	25,644,466
QAR	11,629,784	1.9545	22,730,413
ZAR	54,075,114	0.3819	20,651,286
AUD	3,636,542	4.8484	17,631,410
HKD	14,634,638	0.9062	13,261,909
SAR	6,132,462	1.8926	11,606,298
MYR	3,324,265	1.5415	5,124,354
BRL	74,984	1.4658	109,912
Other receivables	-	-	-
Including: USD	13,753,234	7.0827	97,410,030
RUB	124,119,943	0.0803	9,966,831
EUR	930,594	7.8592	7,313,724
ZAR	9,496,594	0.3819	3,626,749
KRW	348,589,413	0.0055	1,917,242
LKR	62,527,357	0.0220	1,375,602
AUD	283,115	4.8484	1,372,655
SGD	182,920	5.3772	983,597
INR	9,868,292	0.0855	843,739
HKD	645,789	0.9062	585,214
BRL	378,390	1.4658	554,644
OMR	4,772	18.4200	87,900
Accounts payable			
USD	123,646,874	7.0827	875,753,714
EUR	55,715,823	7.8592	437,881,796
SGD	3,527,220	5.3772	18,966,567
GBP	1,883,364	9.0411	17,027,682
KRW	2,576,247,478	0.0055	14,169,361
JPY	233,578,974	0.0502	11,725,664
HKD	8,494,522	0.9062	7,697,736
RUB	89,571,731	0.0803	7,192,610
INR	73,177,809	0.0855	6,256,703
LKR	276,092,665	0.0220	6,074,039
ZAR	9,265,863	0.3819	3,538,633
AUD	244,897	4.8484	1,187,359
BRL	792,994	1.4658	1,162,371
CAD	209,218	5.3673	1,122,936
Other payables			
USD	22,114,645	7.0827	156,631,396
EUR	6,234,287	7.8592	48,996,508
KRW	889,504,378	0.0055	4,892,274



Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
SGD	442,501	5.3772	2,379,416
LKR	104,196,396	0.0220	2,292,321
GBP	96,825	9.0411	875,405
ZAR	2,230,607	0.3819	851,869
INR	3,071,687	0.0855	262,629
HKD	15,260	0.9062	13,829
Short-term borrowings			
EUR		7.8592	
Long-term payables due within one year			
USD	21,057,888	7.0827	149,146,703
Long-term payables			
USD	184,548,793	7.0827	1,307,103,736

Other description:

None

(2). Description of overseas business entities, including the disclosure of main overseas business locations, recording currency and selection basis for important overseas business entities, as well as the reasons for changes in recording currency

Applicable Not Applicable

82. Lease

(1). As a lessee

Applicable Not Applicable

	2023	2022
Interest expense of lease liabilities	1,313,980	615,840
Short-term lease expenses with simplified treatment included in the current profit or loss	217,888,742	104,487,307
Total cash outflows related to leases	259,695,514	122,403,881
Cash outflow from leaseback	249,669,758	242,328,806

The leased assets leased by the Group include buildings and constructions, machinery and equipment, transportation equipment and other equipment used in the course of operations, and the lease term is usually 1-3 years. The lease contract usually stipulates that the Group cannot sublet the leased assets. A few lease contracts include the option of renewal.

Leaseback

The Group usually enters into leaseback transactions for the purchase price of large ships or equipment, where the transfer of the assets is not a sale. The Group continues to recognize the transferred assets together with a financial liability equal to the transfer income. The Group takes such leaseback transactions as mortgage loans for accounting treatment. The Group makes annual leaseback financing payments to the finance leasing company in accordance with the terms of the contract.

Other lease information

Right-of-use assets are detailed in Note VII (25). The simplified treatment of short-term lease and low-value assets lease is detailed in Note V (34). The lease liabilities are detailed in Note VII (47).

Variable lease payments not included in the measurement of lease liabilities

Applicable Not Applicable

Simplified short-term leases or lease expenses of low-value assets

Applicable Not Applicable

Leaseback transactions and judgment basis

Applicable Not Applicable

Total cash outflows related to leases was 259,695,514 (Unit: Yuan Currency: CNY)

(2). As a lessor

Operating lease as the lessor

Applicable Not Applicable

Financing lease as the lessor

Applicable Not Applicable

Reconciliation of undiscounted lease receipts and net lease investment

Applicable Not Applicable

Undiscounted lease receipts for the next five years

Applicable Not Applicable

Other description:

Operating lease

The profit or loss related to operating leases is presented as follows:

	2023	2022
Lease income	296,335,872	225,960,519

According to the lease agreement signed with the lessee, the undiscounted minimum lease receipts are as follows:

	2023	2022
Within 1 year (including 1 year)	291,022,650	239,242,941
1 to 2 years (including 2 years)	222,198,493	132,035,513
2-3 years (including 3 years)	113,076,268	42,528,101
3 to 4 years (including 4 years)	105,432,422	19,751,071
4 to 5 years (including 5 years)	55,144,117	85,516,755
Over 5 years	54,066,921	828,273
Total	840,940,871	519,902,654

(3). Recognize the profit or loss of financing lease sales as a manufacturer or distributor

Applicable Not Applicable

Other description:

None

83. Others

Applicable Not Applicable

VIII. R&D expenses

(1). Presented by nature of expense

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	616,931,085	560,361,835
Depreciation and amortization	94,644,503	85,911,765



Item	Amount incurred in the current period	Amount incurred in the previous period
Materials expenses	394,464,827	300,416,273
Processing expenses	172,861,680	144,441,413
Product design expenses	2,497,150	126,214
Others	30,157,420	27,079,591
Including: Expensed R&D expenditure	1,311,556,665	1,118,337,091
Capitalized R&D expenditure		

Other description: None

(2). Development expenditures of R&D projects that meet capitalization conditions

Applicable Not Applicable

Significant capitalized R&D projects

Applicable Not Applicable

Provision for development expenditure impairment

Applicable Not Applicable

Other description: None

(3). Significant outsourced research projects

Applicable Not Applicable

IX. Changes in consolidation scope

1. Business combination not under common control

Applicable Not Applicable

2. Business combination under common control

Applicable Not Applicable

3. Counter purchase

Applicable Not Applicable

4. Disposal of subsidiaries

Whether there are transactions or events leading to loss of control over subsidiaries in the current period

Applicable Not Applicable

Other description:

Applicable Not Applicable

Whether the control of subsidiary's investment is lost in the current period in step-to-step disposal through multiple transactions

Applicable Not Applicable

Other description:

Applicable Not Applicable

5. Changes in consolidation scope due to other reasons

Description of the changes (such as new subsidiary, liquidation of subsidiary) in consolidation scope due to other reasons and relevant information:

Applicable Not Applicable

6. Others

Applicable Not Applicable

X. Interests in other entities

1. Interests in subsidiaries

(1). Subsidiaries of the Group

Applicable Not Applicable

Unit: Yuan Currency: CNY

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)	Way of acquisition		Name of subsidiary
					Direct	Indirect	
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Nantong City, Jiangsu Province		Nantong City, Jiangsu Province	Machine manufacturing	100.00%	0.00%	Establishment by investing
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Jiangsu Province		Jiangsu Province	Machine manufacturing	50.75%	0.00%	Establishment by investing
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Chongming, Shanghai		Chongming, Shanghai	Machine manufacturing	100.00%	0.00%	Business combination under common control
CCCC Liyang Urban Investment and Construction Co., Ltd. (Remark 1)	Liyang City, Jiangsu Province		Liyang City, Jiangsu Province	Engineering construction	48.00%	0.00%	Establishment by investing

The shareholding ratio in subsidiaries is different from the proportion of voting rights:

None

The basis for holding half or less of the voting rights but still controlling the invested entity, and the basis for holding more than half of the voting rights but not controlling the invested entity:

None

The basis for control of the important structured entities included in the consolidation scope:

None

Basis for determining whether the Company is an agent or a principal:

None

Other description:

Remark 1: By signing the agreement for concerted action with CCCC Shanghai Dredging Co., Ltd. and CCCC East China Investment Co., Ltd., the Group had obtained 76% voting power in the board of shareholder and 71% voting power in the board of directors of this company. In accordance with the regulations of the articles of association of such company, the Group had obtained the control rights thereof, thus, such company was included in the Groups' consolidation scope. The articles of association of the Company stipulate that Jiangsu Sukong Urban Investment and Construction Co., Ltd., one of such company's shareholders, does not participate in dividends, and its shareholding ratio is 20%.

(2). Major non-wholly-owned subsidiaries
 Applicable Not Applicable

Name of subsidiary	Shareholding ratio of minority shareholder	Profit or loss attributable to the minority shareholder in current period	Dividends declared to minority shareholders in current period	Balance of minority shareholders' equity at the end of the period	Unit: Yuan Currency: CNY	
					Current assets	Non-current liabilities
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	66,922,016	-58,000,000	838,161,447		
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30.00%	5,349,505	-18,521,644	195,038,068		
Greenland Heavylift (HongKong) Limited	50.00%	40,624,810	-16,619,369	453,735,711		
CCCC Investment & Development Qidong Co., Ltd.	50.42%	17,715,130		396,781,808		
CCCC Liyang Urban Investment and Construction Co., Ltd.	52.00%	23,114,975		358,521,665		
CCCC Rudong Construction Development Co., Ltd.	33.50%	8,548,685		197,060,790		

Description of the difference between the shareholding ratio of minority shareholders and the proportion of voting right ratio in subsidiaries:

 Applicable Not Applicable

Other description:

 Applicable Not Applicable

(3). Main financial information of major non-wholly-owned subsidiaries
 Applicable Not Applicable

Name of subsidiary	December 31, 2023				December 31, 2022				Total liabilities	Total liabilities		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets			Total assets	Current liabilities
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	662,347,128		662,347,128	-12,220,234		-12,220,234	565,932,743	139,615,446	705,548,189	-11,514,162	-	-11,514,162
Greenland Heavylift (Hong Kong) Limited	201,642,709	2,447,207,803	2,648,850,512	-444,563,092	-1,307,103,738	-1,751,666,830	252,929,816	2,463,909,721	2,716,839,537	-455,071,592	-1,420,855,618	-1,875,927,210
ZPMC Transmission Machinery (Nantong) Co., Ltd.	2,322,547,899	361,342,145	2,683,890,044	-970,014,028	-11,600,916	-981,614,944	1,839,605,961	366,807,622	2,206,413,583	-522,208,391	-752,137	-522,960,528
CCCC Investment & Development Qidong Co., Ltd.	414,930,180	1,203,059,220	1,617,989,400	-271,280,573	-560,061,964	-831,342,537	265,227,637	1,364,010,210	1,629,237,847	-97,338,764	-780,324,738	-877,663,502
CCCC Liyang Urban Investment and Construction Co., Ltd.	268,591,322	1,154,852,390	1,423,443,712	-437,108,646	-120,030,905	-557,139,551	741,895,021	1,040,510,695	1,782,405,716	-796,792,640	-177,096,352	-973,888,992
CCCC Rudong Construction Development Co., Ltd.	138,704,975	1,536,377,693	1,675,082,668	-548,572,968	-482,469,030	-1,031,041,998	132,878,819	1,453,726,456	1,586,605,275	-427,934,325	-540,148,743	-968,083,068

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profit	comprehensive income	Total	Operating revenue	Net profit	comprehensive income	Total
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.		17,831,680	17,831,680	61,523,681		963,151	963,151	-1,227,820
Greenland Heavylift (Hong Kong) Limited	511,168,763	48,199,340	72,890,721	287,224,364	734,051,637	230,854,796	257,705,416	526,244,021
ZPMC Transmission Machinery (Nantong) Co., Ltd.	1,328,785,966	135,889,441	135,889,441	111,733,956	1,284,808,112	120,684,118	120,684,118	138,491,055
CCCC Investment & Development Qidong Co., Ltd.	121,670,862	35,072,519	35,072,519	154,742,174	153,052,526	31,237,560	31,237,560	-94,547,059
CCCC Liyang Urban Investment and Construction Co., Ltd.	66,685,288	57,787,436	57,787,436	317,797,133	86,127,303	51,019,291	51,019,291	239,771,111
CCCC Rudong Construction Development Co., Ltd.	220,611,556	25,678,959	25,678,959	-3,816,123	394,663,911	25,386,590	25,386,590	-287,574,587

Other description:

None

(4). Major restrictions on the use of assets of enterprise group and the repayment of debts of enterprise group

Applicable Not Applicable

(5). Financial support or other supports provided to structured entities included in the scope of consolidated financial statements

Applicable Not Applicable

Other description:

Applicable Not Applicable

2. Transactions in which the owner's equity share of a subsidiary changes and the subsidiary is still under control

Applicable Not Applicable

(1). Explanation of changes in the share of the owner's equity of subsidiary

Applicable Not Applicable

In December 2023, ZPMC Machinery Equipment Services Co., Ltd., a subsidiary of the Company, introduced a third party to increase its capital by RMB 131,434,294. After the capital increase, such third party held 30% of ZPMC Machinery Equipment Services Co., Ltd. The Company has not lost the control over ZPMC Machinery Equipment Services Co., Ltd. The transaction resulted in an increase of RMB 71,797,896 in minority interests and RMB 59,636,398 in capital reserves in the consolidated financial statements.

(2). Effect of the transaction on minority interests and attributable to owners' equity of the parent company

Applicable Not Applicable



3. Equity in joint ventures and associates

√ Applicable □ Not Applicable

(1). Major joint ventures or associates

√ Applicable □ Not Applicable

Name of joint venture or associate	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment
				Direct	Indirect	
Joint ventures						
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Jiangsu	Nantong, Jiangsu	Marine engineering construction	50.00%	-	Equity method
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Istanbul, Turkey	Istanbul, Turkey	Technical service for port equipment	50.00%	-	Equity method
Zhenhua Marine Energy (HK) Co., Ltd.	Hong Kong	Hong Kong	Shipping	-	51.00%	Equity method
Cranetech Global Sdn.Bhd.	Malaysia	Malaysia	Technical service for port equipment	-	49.99%	Equity method
ZOSG-OTL Marine Contractor Limited (formerly known as: ZPMC-OTL Marine Contractor Limited)	Hong Kong	Hong Kong	Shipping	-	50.00%	Equity method
Associates						
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Shanghai	Pudong New Area, Shanghai	Marine technology development and consulting	25.00%	-	Equity method
CCCC Estate Yixing Co., Ltd.	Jiangsu	Wuxi, Jiangsu	Real estate development	20.00%	-	Equity method
ZPMC Changzhou Coatings Co., Ltd.	Jiangsu	Changzhou, Jiangsu	Paint manufacture	20.00%	-	Equity method
CCCC Financial Leasing Co., Ltd.	Shanghai	Pudong New Area, Shanghai	Finance lease	5.82%	-	Equity method
CCCC Yancheng Construction Development Co., Ltd.	Jiangsu	Yancheng, Jiangsu	Engineering project construction	25.00%	-	Equity method
Suzhou Chuanglian Electric Drive Co., Ltd.	Jiangsu	Suzhou, Jiangsu	Electric equipment manufacturing	20.00%	-	Equity method
China Communications Construction USA Inc.	USA	USA	Port, channel, highway and bridge construction	24.00%	-	Equity method
CCCC South American Regional Company SARL	USA	USA	Port, channel, highway and bridge construction	17.00%	-	Equity method
ZPMC Southeast Asia Pte. Ltd.	Singapore	Singapore	Trade sales	-	40.00%	Equity method
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	Shanghai	China	Development of ocean engineering technology	8.97%	-	Equity method
Shanghai Xingyi Construction Technology Co., Ltd.	Shanghai	Shanghai	Building engineering	-	30.00%	Equity method
CCCC Xiongan Urban Construction Development Co., Ltd.	Hebei	Xiongan, Hebei	Engineering project construction	15.00%	-	Equity method

Description of the difference between shareholding ratio and proportion of voting rights in joint venture or associates:

None

Basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but not having significant influence:

None

(2). Main financial information of major joint ventures:

□ Applicable √ Not Applicable

(3). Main financial information of major associates:

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

	December 31, 2023/Amount incurred in the current period		December 31, 2022/Amount incurred in the previous period	
	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd
Current assets	29,354,696,299		24,850,249,868	
Non-current assets	29,259,294,679		29,221,247,214	
Total assets	58,613,990,978		54,071,497,082	
Current liabilities	-26,934,433,997		-20,646,954,425	
Non-current liabilities	-16,966,741,711		-21,547,988,147	
Total liabilities	-43,901,175,708		-42,194,942,572	
Minority equity	3,326,313,271		3,386,004,140	
Other equity instrument - Perpetual bond	1,000,000,000		998,000,000	
Adjustment: Subscribed capital contributions not yet paid by other shareholders	301,476,593			
Shareholders' equity attributable the parent company	10,386,501,999		7,492,550,370	
Share of net assets held based on shareholding ratio	622,040,353		674,329,533	
Adjustments				
-- Goodwill				
-- Unrealized profits of internal transactions				
-- Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with public offer	622,040,353		674,329,533	
Operating revenue		3,988,743,327		3,877,175,203
Financial expenses-interest income		23,247,316		14,910,307
Financial expenses - interest expenses		10,869,873		2,936,399
Income tax expenses		410,890,621		342,767,440
Net profit		1,209,298,301		1,057,340,236
Net profit from discontinuing operation				
Net of tax of other comprehensive income		-6,312,624		6,950,951
Other comprehensive income				
Total comprehensive income		1,202,985,677		1,064,291,187
Total comprehensive income attributable to the parent company		893,298,879		802,140,210
Dividends distributed		1,159,673,968		-
Dividends received from associates this year				

Other description

None

(4). Summary of financial information of insignificant joint ventures and associates

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

	December 31, 2023/Amount incurred in the current period	December 31, 2022/Amount incurred in the previous period
Joint ventures:		
Total book value of investment	367,506,947	365,964,953
Total number of following items by shareholding ratio		
-- Net profit	1,541,994	76,902,400
-- Other comprehensive income		



	December 31, 2023/Amount incurred in the current period	December 31, 2022/Amount incurred in the previous period
-- Total comprehensive income	1,541,994	76,902,400
Associates:		
Total book value of investment	966,710,322	962,585,436
Total number of following items by shareholding ratio		
-- Net profit	4,026,422	28,454,995
-- Other comprehensive income	98,461	20,118,310
-- Total comprehensive income	4,124,883	48,573,305

Other description

None

(5). Description of the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

Applicable Not Applicable

(6). Excess loss of joint ventures or associates

Applicable Not Applicable

(7). Unrecognized commitments related to joint venture investment

Applicable Not Applicable

(8). Contingent liabilities related to investment in joint ventures or associates

Applicable Not Applicable

4. Significant joint operation

Applicable Not Applicable

5. Equity in structured entities not included in the scope of consolidated financial statements

Description of structured entities not included in the scope of consolidated financial statements:

Applicable Not Applicable

6. Others

Applicable Not Applicable

XI. Government subsidie

1. Governmental subsidy not recognized by amount receivable by the end of reporting period

Applicable Not Applicable

Reasons for failure to receive the estimated amount of governmental subsidy at the estimated time

Applicable Not Applicable

2. Liabilities revolving governmental subsidies

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2022	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2023	Assets related / income related
Deferred income	298,502,179	65,409,616		23,091,014	4,683,000	336,137,781	Income related
Total							/

3. Government subsidy recognized in current losses and gains

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Type	Amount incurred in the current period	Amount incurred in the previous period
Income related	107,480,822	106,415,947

Other description:

Among the above government subsidies, some projects are government subsidies related to assets, and the rest are related to income.

Land compensation refers to the land compensation acquired by a subsidiary of the Company, which shall be amortized over the 50 years' land use term.

XII. Risks related to financial instruments

1. Financial instrument risks

√ Applicable Not Applicable**Classifications of Financial instrument**

The book values of various financial instruments on the balance sheet date:

2023

Financial assets

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Monetary funds	-	-	5,105,078,436	-	-	5,105,078,436
Held-for-trading financial assets	720,594,675	-	-	-	-	720,594,675
Notes receivable	-	-	14,122,031	-	-	14,122,031
Receivables financing	-	-	-	965,569,122	-	965,569,122
Accounts receivable	-	-	7,266,298,102	-	-	7,266,298,102
Other receivables	-	-	1,245,727,441	-	-	1,245,727,441
Non-current assets due within one year	-	-	1,341,408,631	-	-	1,341,408,631
Investment in other equity instruments	-	-	-	-	104,859,374	104,859,374
Long-term receivables	-	-	1,457,182,459	-	-	1,457,182,459
Total	720,594,675	-	16,429,817,100	965,569,122	104,859,374	18,220,840,271



Financial liabilities

	Financial liabilities measured at fair value through the current profit or loss		Financial liabilities measured at amortized cost	Total
	Standard	Designated		
Short-term borrowings	-	-	4,781,640,779	4,781,640,779
Notes payable	-	-	5,533,470,582	5,533,470,582
Accounts payable	-	-	8,616,059,138	8,616,059,138
Other payables	-	-	1,006,412,820	1,006,412,820
Non-current liabilities due within one year	-	-	8,620,719,463	8,620,719,463
Long-term borrowings	-	-	15,105,224,079	15,105,224,079
Long-term payables	-	-	1,744,502,983	1,744,502,983
Total	-	-	45,408,029,844	45,408,029,844

2022

Financial assets

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Monetary funds	-	-	2,397,047,713	-	-	2,397,047,713
Held-for-trading financial assets	877,483,342	-	-	-	-	877,483,342
Notes receivable	-	-	56,114,657	-	-	56,114,657
Receivables financing	-	-	-	439,912,428	-	439,912,428
Accounts receivable	-	-	7,193,649,855	-	-	7,193,649,855
Other receivables	-	-	995,545,297	-	-	995,545,297
Non-current assets due within one year	-	-	900,213,411	-	-	900,213,411
Investment in other equity instruments	-	-	-	-	73,475,619	73,475,619
Long-term receivables	-	-	2,402,265,565	-	-	2,402,265,565
Total	877,483,342	-	13,944,836,498	439,912,428	73,475,619	15,335,707,887

Financial liabilities

	Financial liabilities measured at fair value through the current profit or loss		Financial liabilities measured at amortized cost	Total
	Standard	Designated		
Short-term borrowings	-	-	1,793,682,952	1,793,682,952
Notes payable	-	-	5,401,258,897	5,401,258,897
Accounts payable	-	-	7,255,123,334	7,255,123,334
Other payables	-	-	1,299,724,875	1,299,724,875
Non-current liabilities due within one year	-	-	6,956,741,650	6,956,741,650
Long-term borrowings	-	-	21,019,572,646	21,019,572,646
Long-term payables	-	-	1,931,340,734	1,931,340,734
Total	-	-	45,657,445,088	45,657,445,088

Financial instrument risks

Various financial instrument risks the Group faces during the routine activities mainly include the credit risk, liquidity risk and market risk.

The Group's overall risk management plan is targeted at the unpredictability of financial market, trying to minimize the potential adverse influence on the Group's financial results.

Credit risk

The Group only trade with the authorized third parties and related parties in good standing. Credit risks are managed in a centralized manner by customer/counterpart, geographic region and industry. As the Group's customers of accounts receivable, contract assets and long-term receivables are widely dispersed across sectors and industries, there is no significant credit risk concentration within the Group. The Group holds collateral or other credit enhancements for the balance of some accounts receivable, other receivables and long-term receivables.

As the counterparts of monetary funds, receivables financing and derivative financial instruments are banks in good standing and having relatively higher credit rating, these financial instruments have low credit risk.

Other financial assets of the Group include commercial acceptance bill, accounts receivable, other receivables and long-term receivables, the credit risks of these financial assets and contract assets are from the counterpart's default, and the maximum exposure is equal to the book amount of these instruments.

The Group has set relevant policies to control the credit risk exposure. The Group, based on the customers' financial positions, the possibility of obtaining guarantees from the third party, credit records and other factors such as the current market conditions, evaluates the credit qualifications of customers and set the credit period accordingly. The Group will monitor customers' credit records periodically; as for the customers with bad credit records, the Group will take measures, such as requesting a payment in writing, shortening the credit period or canceling the credit term, to ensure that the Group's overall credit risks are within the controllable scope.

Judgment criteria for significant increase in credit risk

On each balance sheet date, the Group will evaluate the credit risks of relevant financial instruments to confirm whether they have had significant increase or not after the initial recognition. The main criteria for the Group to judge a significant increase in credit risk are significant changes in one or more of the following indicators: Significant adverse changes in the debtor's operating environment, internal and external credit ratings, actual or expected operating results, etc.

Definition of assets with credit impairment

The main criteria for the Group to judge that credit impairment has occurred is that in certain circumstances, if internal or external information shows that the contract amount may not be fully recovered before considering any credit enhancement held, the Group will also regard it as credit impairment.

The credit impairment of financial assets may be caused by several events, not just one event which can be individually identified.

Parameters for the measurement of expected credit loss

Based on the information whether the credit risk has had significant increase or there is credit impairment, the Group makes the provision for impairment of expected credit losses of various assets for 12 months or the entire duration. Key parameters for the measurements of expected credit loss include the probability of default, loss given default and exposure at default. Considering the quantitative analysis on historical statistical data (including the rating of the counterpart, way of guarantee and category of collateral) and prospective information, the Group builds models for probability of default, loss given default and exposure at default.

Relevant definitions:

(1) The probability of default refers to the possibility that the debtor will not be able to fulfill its payment obligation in the next 12 months or the whole remaining duration. The Group's probability of default is adjusted based on the credit loss model, adding the prospective information to reflect the debtor's probability of default in the current macroeconomic environment;

(2) The loss given default refers to the expectation made by the Group regarding the degree of loss on default risk exposure. As the type of counterpart, way of recourse and priority as well as collateral may be different, the loss given default may also be different. The loss given default refers to the percentage of the risk exposure loss at default, calculated based on the term over the next 12 months or the entire duration;

(3) The exposure at default refers to the amount paid by the Group at default over the next 12 months or the entire remaining duration.



The prospective information is involved in the evaluation on significant change in credit risk and the calculation of expected credit loss. Through the historical data analysis, the Group identifies the key economic indicators affecting the credit risks in various types of business and the expected credit loss.

The impact of these economic indicators on the probability of default and the loss given default is different for different type of business. In such course, the Group makes the reference to the authoritative predictive values, expect these economic indicators based on results of those values, and determine the impact of these economic indicators on the probability of default and the loss given default.

The maximum risk exposure and the year-end classification of credit risk degrees regarding the Group's financial assets and contract assets are as follows:

2023

	Expected credit loss over the next 12 months	Expected credit loss in the entire lifecycle			Total
	Stage I	Stage II	Stage III	Simple method	
Monetary funds	5,105,078,436	-	-	-	5,105,078,436
Held-for-trading financial assets	720,594,675	-	-	-	720,594,675
Notes receivable	-	-	-	14,122,031	14,122,031
Accounts receivable	-	-	-	7,266,298,102	7,266,298,102
Contract assets	-	-	-	2,779,633,134	2,779,633,134
Receivables financing	965,569,122	-	-	-	965,569,122
Other receivables	721,381,756	293,580,976	230,764,709	-	1,245,727,441
Non-current assets due within one year	1,341,408,631	-	-	-	1,341,408,631
Other non-current assets	-	-	-	4,924,571,621	4,924,571,621
Long-term receivables	1,457,182,459	-	-	-	1,457,182,459
Total	10,311,215,079	293,580,976	230,764,709	14,984,624,888	25,820,185,652

2022

	Expected credit loss over the next 12 months	Expected credit loss in the entire lifecycle			Total
	Stage I	Stage II	Stage III	Simple method	
Monetary funds	2,397,047,713	-	-	-	2,397,047,713
Held-for-trading financial assets	877,483,342	-	-	-	877,483,342
Notes receivable	-	-	-	56,114,657	56,114,657
Accounts receivable	-	-	-	7,193,649,855	7,193,649,855
Contract assets	-	-	-	3,243,073,136	3,243,073,136
Receivables financing	439,912,428	-	-	-	439,912,428
Other receivables	667,029,582	97,751,424	230,764,291	-	995,545,297
Non-current assets due within one year	900,213,411	-	-	-	900,213,411
Other non-current assets	-	-	-	4,246,061,211	4,246,061,211
Long-term receivables	2,402,265,565	-	-	-	2,402,265,565
Total	7,683,952,041	97,751,424	230,764,291	14,738,898,859	22,751,366,615

Liquidity risk

Subsidiaries within the Group are responsible for their own cash-flow prospects. The financial section of the head office continues to monitor the short-term and long-term capital demands at the group level after collecting the cash flows prospects of all subsidiaries, to guarantee the sufficient cash reserve and cashable securities. Meanwhile, the financial section of the head office continues to monitor the financial and non-financial indicators prescribed in credit-granting agreements and loan agreements, to ensure that the Group can get sufficient line of credit from major financial institutions, so as to satisfy the short-term and long-term capital demands of all subsidiaries of the Group.

As at December 31, 2023, the various financial liabilities of the Group are listed as follows by due dates based on undiscounted contracted cash flows (including principal and interest):

2023

	2023				Total
	Within 1 year	1-2 years	2-5 years	Over 5 years	
Short-term borrowings	4,810,142,051	-	-	-	4,810,142,051
Notes payable	5,533,470,582	-	-	-	5,533,470,582
Accounts payable	8,616,059,138	-	-	-	8,616,059,138
Other payables	1,006,406,221	-	-	-	1,006,406,221
Non-current liabilities due within one year	8,607,747,605	-	-	-	8,607,747,605
Long-term borrowings	-	7,315,902,229	6,251,686,213	2,048,448,061	15,616,036,503
Long-term payables	-	775,885,499	688,915,129	558,677,002	2,023,477,630
Total	28,573,825,597	8,091,787,728	6,940,601,342	2,607,125,063	46,213,339,730

2022

	2022				Total
	Within 1 year	1-2 years	2-5 years	Over 5 years	
Short-term borrowings	1,828,151,415	-	-	-	1,828,151,415
Notes payable	5,401,258,897	-	-	-	5,401,258,897
Accounts payable	7,255,123,334	-	-	-	7,255,123,334
Other payables	1,299,724,875	-	-	-	1,299,724,875
Non-current liabilities due within one year	7,108,829,479	-	-	-	7,108,829,479
Long-term borrowings	-	8,910,688,144	11,306,743,678	2,077,872,630	22,295,304,452
Long-term payables	-	746,492,462	636,721,312	848,481,954	2,231,695,728
Total	22,893,088,000	9,657,180,606	11,943,464,990	2,926,354,584	47,420,088,180

Market risk

Interest rate risk

The Group's interest rate risk is mainly from such long-term interest-bearing liabilities as long-term bank borrowings and long-term payables. Floating-rate financial liabilities expose the Group to cash flow interest rate risk while fixed-rate financial liabilities expose the Group to fair value interest rate risk. The Group determines the relative proportion of contracts with fixed interest rate and contracts with floating interest rate according to the current market environment. As at December 31, 2023, the Group's long-term interest-bearing liabilities mainly were the floating rate contracts priced in USD, and the fixed rate contracts priced in RMB.

The market interest rate fluctuating risks that the Group encounters are mainly relevant to the long-term liabilities where the interest is calculated at the floating interest rate. The Group manages interest rate risk by closely monitoring interest rate changes and regularly reviewing borrowings.

The finance department in the headquarters of the Group continues monitoring and controlling the interest rate level of the Group. The increase in interest rate will increase the costs of the new interest-bearing debts and the interest expenses of interest-bearing debts failing to be paid up by the Group and subject to the interest calculation at floating interest rate, and will, significantly and adversely, affect the Group's financial results; the management will control partial interest rate risk based on the newest market situation through the swap contract and other interest rate swap arrangements. In 2022 and 2023, the Group had no interest rate swap arrangement.

The following table shows the sensitivity analysis of the interest rate risk, reflecting the effect of the reasonable and possible changes in the interest rate on net profit or loss (through the impact on loan with floating interest rate) and the net amount of other comprehensive income after tax, based on the assumption of no change in other variables.



2023

	Base point Increase / (Decrease)	Net profit or loss Increase/ (Decrease)	Net of tax of other comprehensive income Increase/(Decrease)	Total shareholders' equity Increase / (Decrease)
RMB	100	(76,054,462)	-	(76,054,462)
RMB	(100)	76,054,462	-	76,054,462

2022

	Base point Increase / (Decrease)	Net profit or loss Increase/ (Decrease)	Net of tax of other comprehensive income Increase/(Decrease)	Total shareholders' equity Increase / (Decrease)
RMB	100	(26,340,273)	-	(26,340,273)
RMB	(100)	26,340,273	-	26,340,273

Exchange rate risk

The Group is exposed to transactional exchange rate risk. Such risks are due to sales or purchases made by the operating entity in currencies other than its functional currency. The Group's main production is within the territory of China, but its sales and purchase is settled in USD. However, there still were foreign exchange risks in the foreign currency assets and liabilities and future foreign currency transactions that have been recognized by the Group (foreign currency assets and liabilities and foreign currency transactions are priced mainly in USD). The finance department of the Headquarters of the Group is responsible for supervising the scale of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks.

The following table is a sensitivity analysis of exchange rate risk, reflecting the assumption that all other variables will remain the same, when the USD exchange rate changes reasonably and possibly, it will affect the net profit or loss (due to the change in fair value of monetary assets and liabilities) and other comprehensive income, net of tax (due to the change in fair value of forward foreign exchange contract).

2023

	USD exchange rate Increase/(Decrease)	Net profit or loss Increase/ (Decrease)	Net of tax of other comprehensive income Increase/ (Decrease)	Total shareholders' equity Increase/(Decrease)
RMB appreciation against USD	1%	29,636,924	-	29,636,924
RMB depreciation against USD	-1%	(29,636,924)	-	(29,636,924)

2022

	USD exchange rate Increase/(Decrease)	Net profit or loss Increase/ (Decrease)	Net of tax of other comprehensive income Increase/ (Decrease)	Total shareholders' equity Increase/(Decrease)
RMB appreciation against USD	1%	12,823,427	-	12,823,427
RMB depreciation against USD	-1%	(12,823,427)	-	(12,823,427)

Price risk of equity instrument investment

The price risk of equity instrument investment refers to the risk that the fair value of equity securities decreases due to the change of stock index level and individual securities value. As at December 31, 2023, the Group was exposed to the price risk of equity instrument investment arising from the individual equity instrument investment classified as equity instrument investment measured at fair value through the current profit or loss. The listed equity instrument investment held by the Group is listed on the stock exchanges of Shanghai, Shenzhen and Hong Kong, and measured at the market quotation on the balance sheet date.

The following table shows the sensitivity of the Group's net profit or loss to the change of 1% of the fair value of equity instrument investment (based on the book value on the balance sheet date) under the assumption that all other variables remain unchanged.

2023

	Book value of equity instrument investment	Increase/(decrease) in net profit or loss	Increase/(decrease) in net of tax of other comprehensive income	Increase/(decrease) in total shareholders' equity
Equity instrument investment				
Equity instrument investment measured at fair value through the current profit or loss	712,156,398	5,973,915	-	5,973,915
Equity instrument investment measured at fair value through the other comprehensive income	104,859,374	-	891,305	891,305

2022

	Book value of equity instrument investment	Increase/(decrease) in net profit or loss	Increase/(decrease) in net of tax of other comprehensive income	Increase/(decrease) in total shareholders' equity
Equity instrument investment				
Equity instrument investment measured at fair value through the current profit or loss	869,045,066	7,292,625	-	7,292,625
Equity instrument investment measured at fair value through the other comprehensive income	73,475,619	-	624,543	624,543

Capital management

The main goal of the Group's capital management is to guarantee the Group's persistent operation and maintain a sound capital ratio to support business development and maximize shareholders' interests.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The total capital of the Group is the shareholders' equity as listed in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements and makes use of the asset-liability ratio to monitor capital. This ratio is calculated by the net debt divided by total capital. The net debt is the total borrowing (including short-term borrowings listed in the consolidated balance sheet, other non-current liabilities due within one year (excluding lease liabilities), long-term borrowings, other payables and interest-bearing liabilities in long-term payables minus cash and cash equivalents). The total capital is the total shareholders' equity plus net debt.

As at December 31, 2023 and December 31, 2022, the debt ratio of the Group is listed as follows:

	2023	2022
Debt ratio	62%	63%

2. Hedging

(1). The Company conducts hedging business for risk management

Applicable Not Applicable

Other description:

Applicable Not Applicable

(2). The Company conducts eligible hedging business and applies hedging accounting

Applicable Not Applicable

Other description:

Applicable Not Applicable

(3). The Company conducts hedging business for risk management, expects to achieve risk management objectives but does not apply hedging accounting

Applicable Not Applicable



Other description:

 Applicable Not Applicable

3. Transfer of financial asset

(1). Classification of transfer method

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for judgment of derecognition
Note endorsement	Notes receivable	995,992,018	Amount derecognized	Already transferred almost all of its risks and remuneration
Asset securitization (remark)	Accounts receivable	678,146,131	Amount derecognized	Already transferred almost all of its risks and remuneration
Discount bill	Notes receivable	383,612,553	Amount derecognized	Already transferred almost all of its risks and remuneration
Endorsement of debt certificates of digital accounts receivable	Receivables financing	33,809,204	Amount derecognized	Already transferred almost all of its risks and remuneration
Total	/	2,091,559,906	/	/

(2). Financial assets derecognized due to transfer

 Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Method of financial asset transfer	Amount of financial assets derecognized	Profit or loss related to derecognition
Notes receivable	Note endorsement	995,992,018	
Accounts receivable	Asset securitization	678,146,131	-36,768,129
Notes receivable	Discount bill	383,612,553	-16,628,696
Receivables financing	Endorsement of debt certificates of digital accounts receivable	33,809,204	
Total	/	2,091,559,906	-53,396,825

(3). Transferred financial assets involved continuously

 Applicable Not Applicable

Other description:

 Applicable Not Applicable

Note: In 2023, the book balance of the derecognized accounts receivable was RMB 2,060,268,380 and the book balance of contract assets was RMB 66,537,374 (2022: RMB 837,502,837 of book balance of accounts receivable, RMB 182,227,057 of book balance of contract assets), and a loss of RMB 115,312,416 (2022: RMB 20,135,378) upon derecognition was included in investment income.

Transferred financial assets derecognized as a whole but involved continuously

As at December 31, 2023, the book value of bank acceptance bills given by the Group upon endorsement to suppliers for settlement of accounts payable but not yet due on the balance sheet date was RMB 995,992,018 (December 31, 2022: RMB 511,674,330). As at December 31, 2023, the maturity term of such bill was 1 - 12 months. In accordance with the relevant provisions of the Negotiable Instruments Law, if the acceptance bank refuses to pay, the bill holder shall be entitled to recourse to any one, several or all of the bill debtors, including the Group, regardless of the order of the bill debtors ("continue to be involved"). The Group considered that it had transferred almost all risks and rewards of such bill, therefore, the aforesaid book value and relevant settled accounts payable should be derecognized as a whole. The maximum losses and undiscounted cash flows that continue to be involved were equal to the book value. The Group considered that the fair value with continuous involvement was insignificant.

The Group had no income or expense which had been recognized for the current year or accumulatively as it had been derecognized as a whole but continued to be involved in the financial assets. The endorsement of bank acceptance bill receivable happened in this year evenly.

XIII. Fair value disclosure

1. Ending fair value of assets and liabilities measured at fair value

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	Ending fair value			Total
	Fair value measurement at level 1	Fair value measurement at level 2	Fair value measurement at level 3	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets	712,156,397		8,438,278	720,594,675
1. Financial assets measured at fair value through the current profit or loss	712,156,397		8,438,278	720,594,675
(1) Debt instrument investment				
(2) Equity instrument investments				
(3) Derivative financial assets			8,438,278	8,438,278
(4) Equity of listed companies	712,156,397			712,156,397
2. Financial assets designated to be measured at fair value through the current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investments				
(II) Other debt investment				
(III) Investment in other equity instruments			104,859,374	104,859,374
(IV) Investment property				
1. Land use right for lease				
2. Buildings for lease				
3. Land use right held for transfer after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing		965,569,122		965,569,122
Total assets measured with continuous fair value continuously	712,156,397	965,569,122	113,297,652	1,791,023,171
(VII) Held-for-trading financial liabilities				
1. Financial liabilities measured at fair value through current profit or loss				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value through the current profit or loss				
Total liabilities measured with continuous fair value continuously				
II. Non-continuous fair value measurement				
(I) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. The basis for determining the market value of continuous and non-continuous fair value measurement items at level 1

√ Applicable □ Not Applicable



The fair value of listed equity instrument investments is determined by market quotations.

3. Valuation techniques and the qualitative and quantitative information of important parameters for continuous and non-continuous fair value measurement items at level 2

Applicable Not Applicable

Where there is an active market traded for a financial instrument, the Group shall adopt the quoted price in the active market to determine the fair value thereof; where there is no active market traded for a financial instrument, the Group shall adopt value appraisal techniques to determine its fair value. The valuation models used are discounted cash flow model and market comparable company model. The input value of valuation techniques mainly includes the weighted average cost of capital, liquidity discount, price to book ratio of comparable companies.

The fair value of receivables financing is determined by the discounted future cash flow method, with the market yield of other financial instruments with similar contract terms, credit risks and remaining maturities as the discount rate.

4. Valuation techniques and the qualitative and quantitative information of important parameters for continuous and non-continuous fair value measurement items at level 3

Applicable Not Applicable

The Group's finance department is led by the financial manager, who is responsible for formulating policies and procedures for fair value measurement of financial instruments. The financial manager reports directly to the CFO. On each balance sheet date, the financial department analyzes the value fluctuations of financial instruments and confirm the main entered values suitable for valuations. The valuation must be reviewed and approved by the CFO. For the purpose of annual financial statements, the valuation process and results are discussed with the Audit Committee once a year.

The fair value of non-listed equity instrument investments is estimated using the market approach based on unobservable market prices or interest rate assumptions. The Group needs to identify comparable listed companies based on industry, size, leverage and strategy, and calculate appropriate market multiples, such as price-to-earnings ratio multiples, for each comparable listed company identified. Adjustments will be made based on the specific facts and circumstances of the enterprise, taking into account factors such as liquidity and size differences between comparable listed companies. The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are also the most appropriate value at the balance sheet date. For the fair value of non-listed equity instrument investments, the Group estimates the potential impact of using other reasonable and possible assumptions as inputs to the valuation model.

The following is an overview of the important unobservable inputs to the third level of fair value measurement:

	Fair value as at the end of the year	Valuation technique	Unobservable input value	Weighted average/scope
Level 3				2023:
Held-for-trading financial assets - equity instrument investments	In 2023: 8,438,278	Discount cash flow model	Weighted average cost of capital	11%
			Liquidity discount	26%
Other equity instrument investment	In 2023: 104,859,374	Comparable company mode on the market	P/B ratio of comparable company	1.7-2.2
Held-for-trading financial assets - equity instrument investments	In 2022: 8,438,278	Discount cash flow model	Weighted average cost of capital	11%
			Liquidity discount	28%
Other equity instrument investment	In 2022: 73,475,619	Comparable company mode on the market	P/B ratio of comparable company	1.3-2.6

5. For continuous fair value measurement items at level 3, the adjustment information between beginning and ending book value and the sensitivity analysis of unobservable parameters

Applicable Not Applicable

6. For continuous fair value measurement items, if there is conversion between different levels in the current period, the reasons for conversion and the policies for determining the conversion time

Applicable Not Applicable

7. Changes in valuation technology in the current period and reasons for changes

Applicable Not Applicable

8. Fair values of financial assets and financial liabilities not measured at fair value

Applicable Not Applicable

9. Others

Applicable Not Applicable

For continuous fair value measurement items at level 3, the adjustment information is as follows:

2023

	Beginning balance	Transfer into level 3	Transfer out of level 3	Total gains or losses for the current period		Purchase	Issue	Sale	Settlement	Ending balance	Assets held at the end of the year	Changes in unrealized gains or losses for the period included in profit or loss
				Included in profit or loss	Included in other comprehensive income							
Held-for- trading financial assets												
Equity instrument investments	8,438,278	-	-	-	-	-	-	-	-	8,438,278	-	-
Other equity instruments	73,475,619	-	-	-	12,593,755	18,790,000	-	-	-	104,859,374	-	-
Total	81,913,897	-	-	-	12,593,755	18,790,000	-	-	-	113,297,652	-	-

2022

	Beginning balance	Transfer into level 3	Transfer out of level 3	Total gains or losses for the current period		Purchase	Issue	Sale	Settlement	Ending balance	Assets held at the end of the year	Changes in unrealized gains or losses for the period included in profit or loss
				Included in profit or loss	Included in other comprehensive income							
Held-for- trading financial assets												
Equity instrument investments	8,438,278	-	-	-	-	-	-	-	-	8,438,278	-	-
Other equity instruments	66,280,045	-	-	-	7,195,574	-	-	-	-	73,475,619	-	-
Total	74,718,323	-	-	-	7,195,574	-	-	-	-	81,913,897	-	-

XIV. Related parties and related party transactions

1. Parent company

Applicable Not Applicable



Unit: Yuan Currency: CNY

Parent company	Registration place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
China Communications Construction Group Co., Ltd.	Beijing City	Port project contracting and related business	5,855,423,830	46	46

Description of the parent company of the Company

None

The final controlling party of the Company is the China Communications Construction Group Co., Ltd.

Other description:

None

2. Subsidiaries

For details of the subsidiaries of the Company, please refer to Note X (1)

Applicable Not Applicable

For details of the subsidiaries, please refer to Note X (1).

3. Joint ventures and associates

For details of the important joint ventures or associates of the Company, please refer to Note X (3).

Applicable Not Applicable

Other joint ventures or associates that have related party transactions with the Company in the current period or formed balance in the previous period are as follows.

Applicable Not Applicable

Other description

Applicable Not Applicable

4. Other related parties

Applicable Not Applicable

Name of other related parties	Relationship with related party
Friede & Goldman, Ll.c.	Controlled by the same parent company
ZPMC ISTANBUL LIMAN MAKINALARI Tic A.S.	Controlled by the same parent company
Beijing BLDJ Landscape Architecture Institute Co., LTD.	Controlled by the same parent company
Beijing Rate Electronic Technology Developing Co., Ltd.	Controlled by the same parent company
CCCC Guidu Highway Construction Co., Ltd.	Controlled by the same parent company
Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	Controlled by the same parent company
Jiujiang Education Consulting Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd.	Controlled by the same parent company
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd.	Controlled by the same parent company
SanYa Phoenix Island International Cruise Terminal Development Co., Ltd.	Controlled by the same parent company
Xiamen Jiehang Engineering Testing Technology Co., Ltd.	Controlled by the same parent company
DaHua Technology Co., Ltd.	Controlled by the same parent company
Shanghai Waterway Logistics Co., Ltd	Controlled by the same parent company
Shanghai Jiangtian Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Communications Construction Contracting Co., Ltd.	Controlled by the same parent company
Shanghai Interlink Road & Bridge Engineering Co., Ltd.	Controlled by the same parent company
Shanghai Zhensha Longfu Machinery Co., Ltd.	Controlled by the same parent company

Name of other related parties	Relationship with related party
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Controlled by the same parent company
Sichuan Road & Bridge Group Co., Ltd.	Controlled by the same parent company
Tianjin Harbour Engineering Quality Inspection Center Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
Zhenhua Engineering Co., Ltd.	Controlled by the same parent company
Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.	Controlled by the same parent company
Yueyang Chenglingji New Port Co., Ltd.	Controlled by the same parent company
Zhejiang Lvzhou Photovoltaic Technology Co., Ltd.	Controlled by the same parent company
Zhenhua (Singapore) Engineering Co., Ltd.	Controlled by the same parent company
China Harbour Engineering Co., Ltd.	Controlled by the same parent company
China Highway Vehicle & Machinery Co., Ltd.	Controlled by the same parent company
China Communications Construction Company Ltd.	Controlled by the same parent company
China Communications Materials Co., Ltd.	Controlled by the same parent company
China Communications Information Technology Group Co., Ltd.	Controlled by the same parent company
China Road & Bridge Corporation	Controlled by the same parent company
Chuwa Risheng (Beijing) International Trade Co., Ltd.	Controlled by the same parent company
Chuwa Bussan Co., Ltd.	Controlled by the same parent company
CCCC (Xiamen) Information Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC (Zhengzhou) Construction Co., Ltd.	Controlled by the same parent company
CCCC Finance Company Ltd.	Controlled by the same parent company
CCCC Industrial Investment Holding Company Ltd.	Controlled by the same parent company
CCCC Chenzhou Road Construction Machinery Co., Ltd.	Controlled by the same parent company
CCCC Urban Operation Management Co., Ltd.	Controlled by the same parent company
CCCC Second Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC Second Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Second Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Third Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Third Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Fourth Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Fourth Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Northeast Investment Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Second Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC-SHEC Fifth Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC-SHEC First Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC-SHEC Railway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Railway Construction Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.3 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Controlled by the same parent company
CCCC International (Hong Kong) Holdings Limited	Controlled by the same parent company
CCCC Haifeng Wind Power Development Co., Ltd.	Controlled by the same parent company



Name of other related parties	Relationship with related party
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Controlled by the same parent company
CCCC Ocean Investment Holding Co., Ltd. (Consolidated)	Controlled by the same parent company
CCCC East China Investment Co., Ltd.	Controlled by the same parent company
CCCC Electrical and Mechanical Engineering Co., Ltd.	Controlled by the same parent company
China Communications Construction Company (M) Sdn. Bhd.	Controlled by the same parent company
CCCC Construction Group Co., Ltd.	Controlled by the same parent company
Road & Bridge East China Engineering Co., Ltd.	Controlled by the same parent company
Road & Bridge International Co., Ltd.	Controlled by the same parent company
CCCC Third Harbor Engineering Co., Ltd. Xiamen Branch	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Dredging Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Equipment Engineering Co., Ltd.	Controlled by the same parent company
CCCC Design Consulting Group Co., Ltd.	Controlled by the same parent company
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Controlled by the same parent company
CCCC Dredging (Group) Co., Ltd.	Controlled by the same parent company
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Controlled by the same parent company
Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Controlled by the same parent company
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Tunnel Engineering Company Limited	Controlled by the same parent company
Harbor Construction Engineering Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Industry and Trade Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC Xingyu Technology Co., Ltd.	Controlled by the same parent company
CCCC Xiongan Urban Construction Development Co., Ltd.	Controlled by the same parent company
CCCC Xiongan Financial Leasing Co., Ltd.	Controlled by the same parent company
CCCC Yancheng Construction Development Co., Ltd.	Controlled by the same parent company
No. 6 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Fifth Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Electrification Engineering Co., Ltd.	Controlled by the same parent company
First Highway Engineering Group Co., Ltd.	Controlled by the same parent company
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC	Controlled by the same parent company
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Capital Holdings Co., Ltd.	Controlled by the same parent company
CCCC Asset Management Co., Ltd.	Controlled by the same parent company
CCCC Leasing (Shandong) Co., Ltd.	Controlled by the same parent company
CCCC Leasing Jiahua No.2 Co., Ltd.	Controlled by the same parent company
CCCC Leasing Jiahua No.1 Co., Ltd.	Controlled by the same parent company
CNPC & CCCC Petroleum Sales Co., Ltd.	Controlled by the same parent company
Chongqing Zhongwan Expressway Co., Ltd.	Controlled by the same parent company

Other description: None

5. Related party transactions

(1). Purchase and sales of goods, and rendering and receipt of labor services

Purchase of goods/receipt of labor services

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Related party	Content of transaction	Amount incurred in the current period	Approved transaction limit (if applicable)	Exceeding transaction limit (if applicable)	Amount incurred in the previous period
CCCC Third Harbor Engineering Co., Ltd.	Rendering of service	171,946,593			283,109,058
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	Rendering of service	52,670,536			1,826,083
Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	Rendering of service	32,556,696			
China Communications Construction Company (M) Sdn. Bhd.	Rendering of service	20,833,485			
Road & Bridge International Co., Ltd.	Rendering of service	16,972,477			41,038
Zhejiang Lvzhou Photovoltaic Technology Co., Ltd.	Rendering of service	9,234,970			
China Communications Construction Company Ltd.	Rendering of service	6,321,921			
ZPMC Changzhou Coatings Co., Ltd.	Rendering of service	4,131,206			40,201
CCCC Shanghai Equipment Engineering Co., Ltd.	Rendering of service	919,995			
CCCC Financial Leasing Co., Ltd.	Rendering of service	691,835			
CCCC Photovoltaic Technology Co., Ltd.	Rendering of service	128,742			
CCCC Shanghai Dredging Co., Ltd.	Rendering of service	48,660			1,458,199
CCCC (Xiamen) Information Co., Ltd	Rendering of service	18,247			
CCCC Third Highway Engineering Co., Ltd.	Rendering of service				36,092,540
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd.	Rendering of service				2,335,010
Shanghai Jiangtian Industrial Co., Ltd.	Rendering of service				1,504,488
China Road & Bridge Corporation	Rendering of service				1,201,790
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd.	Rendering of service				756,398
CCCC Second Harbor Engineering Co., Ltd.	Rendering of service				567,172
CCCC Tianjin Dredging Co., Ltd.	Rendering of service				471,698
CCCC First Harbor Engineering Co., Ltd.	Rendering of service				452,830
No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Rendering of service				188,679
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC	Rendering of service				172,087
China Communications Information Technology Group Co., Ltd.	Rendering of service				47,830
Jiujiang Education Consulting Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Rendering of service				1,698
CCCC Haifeng Wind Power Development Co., Ltd.	Sales of goods	1,140,744,581			374,901,683
CCCC Third Harbor Engineering Co., Ltd.	Sales of goods	307,346,561			124,835,563
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	Sales of goods	734,361,957			1,288,582,356
CCCC International (Hong Kong) Holdings Limited	Sales of goods	541,656,238			
China Harbour Engineering Co., Ltd.	Sales of goods	368,658,012			441,437,766
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Sales of goods	267,238,142			
Road & Bridge International Co., Ltd.	Sales of goods	201,584,250			10,764,510
CCCC Second Harbor Engineering Co., Ltd.	Sales of goods	238,838,013			3,102,305
China Road & Bridge Corporation	Sales of goods	84,833,201			446,539,717
CCCC Second Highway Engineering Co., Ltd.	Sales of goods	65,503,346			36,106,344
CCCC Tianjin Dredging Co., Ltd.	Sales of goods	58,364,520			1,198,938



Related party	Content of transaction	Amount incurred in the current period	Approved transaction limit (if applicable)	Exceeding transaction limit (if applicable)	Amount incurred in the previous period
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	Sales of goods	50,915,826			32,668,690
CCCC First Harbor Engineering Co., Ltd.	Sales of goods	44,364,127			167,241,398
CCCC Third Highway Engineering Co., Ltd.	Sales of goods	36,902,683			57,013,916
ZPMC Southeast Asia Pte. Ltd	Sales of goods	15,799,598			2,611,725
CCCC-SHEC First Highway Engineering Co., Ltd.	Sales of goods	15,698,029			
CCCC Fourth Harbor Engineering Co., Ltd.	Sales of goods	14,761,062			45,044,248
CCCC Shanghai Equipment Engineering Co., Ltd.	Sales of goods	12,501,272			838,967
CCCC Electrical and Mechanical Engineering Co., Ltd.	Sales of goods	10,606,881			
Sichuan Road & Bridge Group Co., Ltd.	Sales of goods	4,864,250			
Friede & Goldman, Ll.c.	Sales of goods	2,688,794			
Chongqing Zhongwan Expressway Co., Ltd.	Sales of goods	1,995,329			
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Sales of goods	1,698,113			
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Sales of goods	1,429,299			
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd.	Sales of goods	1,388,404			
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd.	Sales of goods	1,141,435			1,202,880
CCCC Third Harbor Consultants Co., Ltd.	Sales of goods	695,283			
ZPMC Changzhou Coatings Co., Ltd.	Sales of goods	628,066			160,463
China Communications Construction Company Ltd.	Sales of goods	566,038			28,946,178
CCCC Shanghai Dredging Co., Ltd.	Sales of goods	499,115			
CCCC First Highway Engineering Co., Ltd.	Sales of goods	322,161			
CCCC First Harbor Consultants Co., Ltd.	Sales of goods	75,472			
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC	Sales of goods	29,361			
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Sales of goods				213,716,814
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Sales of goods				208,387,950
CCCC - SHEC Second Highway Engineering Co., Ltd.	Sales of goods				8,060,013
CCCC Tianjin Industry and Trade Co., Ltd.	Sales of goods				6,767,181
CCCC Construction Group Co., Ltd.	Sales of goods				270,456
CCCC (Xiamen) Information Co., Ltd	Sales of goods				166,240

Sales of goods/rendering of labor services

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
CCCC Shanghai Equipment Engineering Co., Ltd.	Receipt of labor services	752,922,950	368,095,891
CCCC Third Highway Engineering Co., Ltd.	Receipt of labor services	687,713,755	220,317,269
CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	371,129,367	134,197,024
CCCC Second Harbor Engineering Co., Ltd.	Receipt of labor services	222,904,254	227,255,981
CCCC Dredging (Group) Co., Ltd.	Receipt of labor services	158,493,251	
CCCC First Highway Engineering Co., Ltd.	Receipt of labor services	149,740,693	293,136,519
CCCC Tianjin Dredging Co., Ltd.	Receipt of labor services	109,387,957	152,397,803
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	66,133,834	452,903,273
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	Receipt of labor services	62,221,990	14,150,943

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
Road & Bridge East China Engineering Co., Ltd.	Receipt of labor services	14,183,526	50,674,337
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Receipt of labor services	14,017,842	
Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Receipt of labor services	12,637,168	
Road & Bridge International Co., Ltd.	Receipt of labor services	11,689,044	
CCCC Shanghai Dredging Co., Ltd.	Receipt of labor services	11,588,582	9,147,073
First Highway Engineering Group Co., Ltd.	Receipt of labor services	8,304,464	
CCCC Second Highway Consultants Co., Ltd.	Receipt of labor services	2,664,128	3,475,462
CCCC Photovoltaic Technology Co., Ltd.	Receipt of labor services	1,599,475	
CCCCG	Receipt of labor services	1,517,333	
CCCC First Harbor Engineering Co., Ltd.	Receipt of labor services	1,326,200	2,321,373
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Receipt of labor services	1,026,549	
ZPMC Changzhou Coatings Co., Ltd.	Receipt of labor services	806,027	
CCCC Urban Operation Management Co., Ltd.	Receipt of labor services	712,686	
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Receipt of labor services	471,698	
CCCC Third Harbor Consultants Co., Ltd.	Receipt of labor services	1,051,663	939,041
CCCC Xingyu Technology Co., Ltd.	Receipt of labor services	230,796	861,426
CCCC Design Consulting Group Co., Ltd.	Receipt of labor services	227,920	
China Road & Bridge Corporation	Receipt of labor services	154,325	4,281,621
China Communications Information Technology Group Co., Ltd.	Receipt of labor services	112,655	18,659,881
China Communications Materials Co., Ltd.	Receipt of labor services	75,472	
Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	Receipt of labor services	38,666	
ZPMC Southeast Asia Pte. Ltd.	Receipt of labor services		40,615,972
CCCC Construction Group Co., Ltd.	Receipt of labor services		28,301,887
Shanghai Communications Construction Contracting Co., Ltd.	Receipt of labor services		7,018,983
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Receipt of labor services		4,139,151
Shanghai Waterway Logistics Co., Ltd.	Receipt of labor services		1,492,658
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Receipt of labor services		1,344,340
Shanghai Interlink Road & Bridge Engineering Co., Ltd.	Receipt of labor services		1,159,917
CNPC & CCCC Petroleum Sales Co., Ltd.	Receipt of labor services		965,323
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Receipt of labor services		885,446
Beijing BLDJ Landscape Architecture Institute Co., LTD.	Receipt of labor services		366,037
CCCC Second Harbor Consultants Co., Ltd.	Receipt of labor services		230,063
CCCC (Xiamen) Information Co., Ltd.	Receipt of labor services		45,217
CCCC Shanghai Equipment Engineering Co., Ltd.	Purchase of goods	300,511,230	370,483,873
CCCC Tianjin Industry and Trade Co., Ltd.	Purchase of goods	234,024,336	3,899,530
ZPMC Changzhou Coatings Co., Ltd.	Purchase of goods	117,896,910	131,829,860
CNPC & CCCC Petroleum Sales Co., Ltd.	Purchase of goods	80,031,231	53,399,047
CCCC Third Harbor Engineering Co., Ltd.	Purchase of goods	33,092,078	37,699,113
China Communications Information Technology Group Co., Ltd.	Purchase of goods	27,915,300	4,001,152
Chuwa Risheng (Beijing) International Trade Co., Ltd.	Purchase of goods	15,807,655	7,280,458
CCCC (Xiamen) Information Co., Ltd.	Purchase of goods	12,959,416	1,022,057
Shanghai Zhensha Longfu Machinery Co., Ltd.	Purchase of goods	9,824,711	5,974,560
CCCC Fourth Harbor Consultants Co., Ltd.	Purchase of goods	8,093,363	3,623,894
CCCC Third Harbor Consultants Co., Ltd.	Purchase of goods	4,469,027	31,363,816
CCCC Urban Operation Management Co., Ltd.	Purchase of goods	3,966,707	
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	Purchase of goods	1,769,912	
CCCC Photovoltaic Technology Co., Ltd.	Purchase of goods	553,577	



Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
Chuwa Bussan Co., Ltd.	Purchase of goods	251,127	
CCCC Xingyu Technology Co., Ltd	Purchase of goods	233,588	266,896
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Purchase of goods	30,973	
ZPMC Southeast Asia Pte. Ltd	Purchase of goods	8,276	28,685,372
Shanghai Jiangtian Industrial Co., Ltd.	Purchase of goods		13,419,612
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Purchase of goods		8,336,283
Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Purchase of goods		6,318,584
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Purchase of goods		4,867,257
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Purchase of goods		2,347,434
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Purchase of goods		1,189,381
Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Purchase of goods		775,633
Shanghai Waterway Logistics Co., Ltd	Purchase of goods		33,033

Description of related party transactions of purchase and sales of goods, rendering and receipt of labor services

Applicable Not Applicable

(2). Trusteeship/contracting and entrustment/outsourcing

Trusteeship/contracting of the Company:

Applicable Not Applicable

Description of the trusteeship/contracting with related parties

Applicable Not Applicable

Entrustment/outsourcing of the Company

Applicable Not Applicable

Management/outsourcing with related parties

Applicable Not Applicable

(3). Leases with related parties

The Company as the lessor:

Applicable Not Applicable

The Company as the lessee:

Applicable Not Applicable

Description of leases with related parties

Applicable Not Applicable

(4). Guarantees with related parties

The Company as the guarantor

Applicable Not Applicable

The Company as the guaranteed party

Applicable Not Applicable

Description of the guarantees with related parties

Applicable Not Applicable

(5). Lendings with related parties

Applicable Not Applicable

(6). Assets transfer and debt restructuring of related parties

□ Applicable √ Not Applicable

(7). Remuneration of key management personnel

√ Applicable □ Not Applicable

Unit: 10,000 Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	1,135	1,535

(8). Other related party transactions

√ Applicable □ Not Applicable

Distribution of dividends to related parties

	2023	2022
CCCC		75,938,271
CCCC International (Hong Kong) Holdings Limited		45,837,792
Total		121,776,063

Deposits in (withdrawal of deposits from) related parties

	2023	2022
CCCC Finance Company Ltd.	1,596,694,115	(1,600,236,793)

Borrowings from related parties

	2023	2022
CCCC Xiongan Financial Leasing Co., Ltd.	158,922,791	120,000,000
CCCC Finance Company Ltd. (Remark)	48,840,000	544,000,000
Total	207,762,791	664,000,000

Note: The borrowing of RMB 48,840,000 (2022: RMB 544,000,000) in this year is a loan granted by CCCC Finance Company Ltd. to the Company on behalf of China Communications Construction Company Ltd. The three parties signed the Entrusted Loan Contract.

Interest collected from related parties

	2023	2022
CCCC Finance Company Ltd.	2,870,317	672,361
Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.		28,423,585
Total	2,870,317	29,095,946

Interest paid to related parties

	2023	2022
CCCC Finance Company Ltd.	13,273,282	7,437,556
CCCC Xiongan Financial Leasing Co., Ltd.	8,220,332	14,591,870
CCCC Financial Leasing Co., Ltd.		156,318
CCCC Leasing Jiahua No.1 Co., Ltd.		95,492
CCCC Leasing Jiahua No.2 Co., Ltd.		95,492
Total	21,493,614	22,376,728



6. Unsettled items such as receivables and payables of related parties

(1). Receivables

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	Related parties	Balance as at December 31, 2023		Balance as at December 31, 2022	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	CCCC Haifeng Wind Power Development Co., Ltd.	529,999,000		243,735,000	
Accounts receivable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	487,062,623		119,803,239	
Accounts receivable	CCCC Third Harbor Engineering Co., Ltd.	266,507,857		211,646,105	
Accounts receivable	China Harbour Engineering Co., Ltd.	159,505,072		93,246,900	
Accounts receivable	CCCC First Harbor Engineering Co., Ltd.	101,615,705		192,888,613	
Accounts receivable	China Road & Bridge Corporation	70,398,866		138,480,715	
Accounts receivable	CCCC Second Harbor Engineering Co., Ltd.	49,640,033		47,380,307	
Accounts receivable	CCCC Electrical and Mechanical Engineering Co., Ltd.	39,111,657		86,806,696	
Accounts receivable	CCCC International (Hong Kong) Holdings Limited	37,104,445			
Accounts receivable	Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.	36,599,733		36,599,733	
Accounts receivable	China Communications Construction Company Ltd.	21,653,922		20,714,844	
Accounts receivable	CCCC Tianjin Dredging Co., Ltd.	21,150,779		8,160,365	
Accounts receivable	ZOSG-OTL Marine Contractor Limited (formerly known as: ZPMC-OTL Marine Contractor Limited)	17,815,996		24,248,168	
Accounts receivable	CCCC First Highway Engineering Co., Ltd.	17,616,442		3,110,301	
Accounts receivable	Friede & Goldman, LLC.	17,272,068		16,293,389	
Accounts receivable	CCCC Second Highway Engineering Co., Ltd.	16,876,826		5,546,487	
Accounts receivable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	16,705,903		64,841,100	
Accounts receivable	ZPMC Southeast Asia Pte. Ltd	16,454,864		13,486,165	
Accounts receivable	CCCC Financial Leasing Co., Ltd.	16,011,555		16,865,821	
Accounts receivable	CCCC - SHEC Fourth Highway Engineering Co., Ltd.	13,833,457		13,833,457	
Accounts receivable	CCCC Fourth Harbor Engineering Co., Ltd.	13,637,735		26,986,726	
Accounts receivable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	12,900,680		11,282,084	
Accounts receivable	CCCC Third Highway Engineering Co., Ltd.	10,390,337		1,128,632	
Accounts receivable	CCCC Fourth Harbor Consultants Co., Ltd.	7,398,000		7,398,000	
Accounts receivable	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	6,825,894		13,805,933	
Accounts receivable	Zhejiang Lvzhou Photovoltaic Technology Co., Ltd.	6,566,117			
Accounts receivable	Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	6,405,728		14,446,169	
Accounts receivable	Road & Bridge International Co., Ltd.	4,143,751		1,143,748	
Accounts receivable	No.3 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	4,082,214		7,282,296	
Accounts receivable	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	3,939,400		6,137,565	
Accounts receivable	CCCC First Harbor Consultants Co., Ltd.	3,723,715		20,307,006	
Accounts receivable	Chongqing Zhongwan Expressway Co., Ltd.	2,509,932		1,679,281	
Accounts receivable	CCCC Tianjin Dredging Co., Ltd.	2,476,633		82,800	
Accounts receivable	CCCC Third Harbor Consultants Co., Ltd.	2,038,956		2,007,459	
Accounts receivable	No. 6 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	2,000,000		3,032,564	
Accounts receivable	CCCC Water Transportation Planning and Design Institute Co., Ltd.	1,800,000			
Accounts receivable	Shanghai Jiangtian Industrial Co., Ltd.	768,332		2,014,799	

Item	Related parties	Balance as at December 31, 2023		Balance as at December 31, 2022	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Beijing Rate Electronic Technology Developing Co., Ltd.	741,517		891,517	
Accounts receivable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	690,188		213,349	
Accounts receivable	ZPMC Changzhou Coatings Co., Ltd.	637,550			
Accounts receivable	Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd.	435,235		601,676	
Accounts receivable	No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	417,150		417,150	
Accounts receivable	Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd.	366,044		2,335,010	
Accounts receivable	CCCC-SHEC First Highway Engineering Co., Ltd.	347,248			
Accounts receivable	CCCCG	300,000		300,000	
Accounts receivable	CCCC Shanghai Equipment Engineering Co., Ltd.	207,000		168,000	
Accounts receivable	CCCC Construction Group Co., Ltd.	164,031		82,015	
Accounts receivable	CCCC Photovoltaic Technology Co., Ltd.	136,467			
Accounts receivable	Yueyang Chenglingji New Port Co., Ltd.	48,680		48,680	
Accounts receivable	SanYa Phoenix Island International Cruise Terminal Development Co., Ltd.	33,740		33,740	
Accounts receivable	CCCC First Highway Electrification Engineering Co., Ltd.	26,407		26,407	
Accounts receivable	CCCC-SHEC Railway Engineering Co., Ltd.	25,688		656,275	
Accounts receivable	CCCC - SHEC Railway Construction Co., Ltd.	23,980		23,980	
Accounts receivable	Zhenhua Marine Energy (HK) Co., Ltd.			17,872,453	
Accounts receivable	CCCC Tianjin Industry and Trade Co., Ltd.			13,863,129	
Accounts receivable	CCCC-SHEC Fifth Highway Engineering Co., Ltd.			5,031,955	
Accounts receivable	The First Construction Company of CCCC Second Harbor Engineering Co., Ltd.			3,750,000	
Accounts receivable	CCCC - SHEC Second Highway Engineering Co., Ltd.			2,479,578	
Accounts receivable	Sichuan Road & Bridge Group Co., Ltd.			2,156,724	
Accounts receivable	Shanghai Interlink Road & Bridge Engineering Co., Ltd.			670,488	
Accounts receivable	CCCC Chenzhou Road Construction Machinery Co., Ltd.			531,658	
Accounts receivable	No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.			200,000	
Accounts receivable	CCCC Guidu Highway Construction Co., Ltd.			63,951	
Accounts receivable	Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC			36,257	
Accounts receivable	ZPMC ISTANBUL LIMAN MAKINALARI Tic A.S.			3,482	
Receivables financing	CCCC Second Harbor Engineering Co., Ltd.	114,920,000			
Receivables financing	CCCC Third Harbor Engineering Co., Ltd.	66,286,052		52,661,823	
Receivables financing	CCCC Third Highway Engineering Co., Ltd.	21,321,963		38,000,000	
Receivables financing	CCCC Second Highway Engineering Co., Ltd.	20,179,428		34,367,325	
Receivables financing	CCCC Electrical and Mechanical Engineering Co., Ltd.	12,200,000			
Receivables financing	Road & Bridge International Co., Ltd.	11,474,949		22,230,347	
Receivables financing	CCCC First Harbor Engineering Co., Ltd.	9,254,850		51,766,155	
Receivables financing	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	2,000,000		63,000	
Receivables financing	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	1,432,619			
Receivables financing	CCCC Tianjin Dredging Co., Ltd.	1,150,000			
Receivables financing	CCCC Third Harbor Consultants Co., Ltd.	300,000			
Receivables financing	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.			10,537,271	



Item	Related parties	Balance as at December 31, 2023		Balance as at December 31, 2022	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Receivables financing	CCCC Tianjin Industry and Trade Co., Ltd.			3,498,829	
Receivables financing	CCCC First Highway Electrification Engineering Co., Ltd.			300,000	
Receivables financing	CCCC-SHEC Railway Engineering Co., Ltd.			202,412	
Other receivables	Zhenhua Marine Energy (HK) Co., Ltd.	164,124,678	164,124,678	164,124,678	164,124,678
Other receivables	CCCC Third Harbor Engineering Co., Ltd.	52,107,498		34,863,137	
Other receivables	CCCC Second Harbor Engineering Co., Ltd.	37,375,694		26,080,121	
Other receivables	China Road & Bridge Corporation	29,228,919		32,174,052	
Other receivables	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	20,513,157		25,033,390	
Other receivables	CCCC First Highway Engineering Co., Ltd.	14,984,890			
Other receivables	CCCC Third Highway Engineering Co., Ltd.	13,346,537		11,671,593	
Other receivables	Road & Bridge International Co., Ltd.	10,311,354		10,311,354	
Other receivables	CCCC First Harbor Engineering Co., Ltd.	8,548,931		40,331,081	
Other receivables	CCCC Xiongan Financial Leasing Co., Ltd.	6,000,000		6,000,000	
Other receivables	China Communications Construction Company Ltd.	4,907,934		3,782,930	
Other receivables	CCCC Asset Management Co., Ltd.	3,832,500			
Other receivables	CCCC Second Highway Engineering Co., Ltd.	2,246,038		1,611,506	
Other receivables	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	2,116,091		2,116,091	
Other receivables	CCCC Yancheng Construction Development Co., Ltd.	1,739,474		1,600,000	
Other receivables	CCCCG	1,356,800		1,356,800	
Other receivables	CCCC Fourth Harbor Consultants Co., Ltd.	992,576		992,576	
Other receivables	CCCC Xiongan Urban Construction Development Co., Ltd.	618,022		550,000	
Other receivables	CCCC First Harbor Consultants Co., Ltd.	543,764		2,602,610	
Other receivables	CCCC Shanghai Dredging Co., Ltd.	219,010			
Other receivables	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	200,000			
Other receivables	CCCC East China Investment Co., Ltd.	194,959		194,959	
Other receivables	China Harbour Engineering Co., Ltd.	175,352		138,462	
Other receivables	CCCC Northeast Investment Co., Ltd.	152,002		152,002	
Other receivables	Shanghai Jiangtian Industrial Co., Ltd.	77,552		77,552	
Other receivables	CCCC-SHEC First Highway Engineering Co., Ltd.	50,000			
Other receivables	ZOSG-OTL Marine Contractor Limited (formerly known as: ZPMC-OTL Marine Contractor Limited)	44,536		49,038	
Other receivables	ZPMC Southeast Asia Pte. Ltd	11,159		15,165	
Other receivables	ZPMC Changzhou Coatings Co., Ltd.	1,873			
Other receivables	Jiujiang Education Consulting Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	1,800		1,800	
Other receivables	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.			12,167,079	
Other receivables	CCCC Electrical and Mechanical Engineering Co., Ltd.			11,230,777	
Other receivables	CCCC Fourth Harbor Engineering Co., Ltd.			3,117,699	
Other receivables	CCCC - SHEC Second Highway Engineering Co., Ltd.			1,623,738	
Other receivables	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.			1,327,942	
Other receivables	CCCC Financial Leasing Co., Ltd.			206,389	
Other receivables	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi			178,642	
Advances to suppliers	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	62,227,167			
Advances to suppliers	Road & Bridge East China Engineering Co., Ltd.	43,384,665		24,847,917	

Item	Related parties	Balance as at December 31, 2023		Balance as at December 31, 2022	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Advances to suppliers	CCCC Shanghai Equipment Engineering Co., Ltd.	22,468,345			
Advances to suppliers	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	16,280,427			
Advances to suppliers	First Highway Engineering Group Co., Ltd.	3,495,244			
Advances to suppliers	CCCC Third Highway Engineering Co., Ltd.	2,000,000			
Advances to suppliers	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	1,447,632			
Advances to suppliers	CCCC Second Highway Consultants Co., Ltd.	850,000			
Advances to suppliers	CCCC Third Harbor Engineering Co., Ltd.	703,769			
Advances to suppliers	CCCC Third Harbor Consultants Co., Ltd.	444,000		10,651,759	
Advances to suppliers	CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	385,568		385,568	
Advances to suppliers	CCCC Xiongan Financial Leasing Co., Ltd.	30,000			
Advances to suppliers	CCCC Ocean Investment Holding Co., Ltd. (Consolidated)	15,200			
Advances to suppliers	CCCC Dredging (Group) Co., Ltd.	7,000			
Advances to suppliers	CCCC Industrial Investment Holding Company Ltd.	4,000			
Advances to suppliers	CCCC Third Harbor Engineering Co., Ltd. Xiamen Branch	2,000		2,000	
Advances to suppliers	CCCC Second Harbor Engineering Co., Ltd.	800		600	
Advances to suppliers	CCCC Second Highway Engineering Co., Ltd.	500			
Advances to suppliers	CCCC First Highway Engineering Co., Ltd.			16,625,967	
Advances to suppliers	Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.			7,000,000	
Advances to suppliers	CCCC Fourth Harbor Consultants Co., Ltd.			4,095,000	
Advances to suppliers	China Harbour Engineering Co., Ltd.			5,000	
Contract assets	CCCC Second Harbor Engineering Co., Ltd.	56,867,363		30,082,851	
Contract assets	CCCC First Harbor Engineering Co., Ltd.	30,267,918		62,352,928	
Contract assets	China Harbour Engineering Co., Ltd.	19,376,142			
Contract assets	CCCC Third Harbor Engineering Co., Ltd.	12,017,553		3,004,388	
Contract assets	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	9,532,053		605,354,047	
Contract assets	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	6,075,449			
Contract assets	China Road & Bridge Corporation	4,352,722		22,477,343	
Contract assets	CCCC Fourth Harbor Engineering Co., Ltd.	2,252,212			
Contract assets	CCCC Second Highway Engineering Co., Ltd.	1,287,589		21,831,279	
Contract assets	CCCC Yancheng Construction Development Co., Ltd.	315,887			
Contract assets	CCCC Haifeng Wind Power Development Co., Ltd.			48,181,663	
Contract assets	CCCC Third Highway Engineering Co., Ltd.			15,018,912	
Contract assets	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.			9,311,494	
Contract assets	CCCC - SHEC Second Highway Engineering Co., Ltd.			4,497,454	
Contract assets	Sichuan Road & Bridge Group Co., Ltd.			2,297,016	
Other non-current assets	China Harbour Engineering Co., Ltd.	76,599,401		16,115,040	
Other non-current assets	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	8,472,784			
Other non-current assets	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	4,654,092			
Other non-current assets	CCCC Fourth Harbor Engineering Co., Ltd.			2,252,212	



(2). Payables

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	Related parties	Ending book balance	Beginning book balance
Accounts payable	CCCC Third Highway Engineering Co., Ltd.	538,682,121	250,106,814
Accounts payable	CCCC Third Harbor Engineering Co., Ltd.	312,621,861	331,634,582
Accounts payable	CCCC Second Harbor Engineering Co., Ltd.	153,189,332	74,160,316
Accounts payable	CCCC Construction Group Co., Ltd.	98,897,141	101,897,141
Accounts payable	CCCC First Highway Engineering Co., Ltd.	61,474,291	259,160,857
Accounts payable	CCCC Tianjin Dredging Co., Ltd.	60,039,096	33,225,252
Accounts payable	ZPMC Changzhou Coatings Co., Ltd.	50,049,657	43,778,590
Accounts payable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	41,798,360	450,000
Accounts payable	CCCC Shanghai Equipment Engineering Co., Ltd.	38,790,362	83,614,468
Accounts payable	First Highway Engineering Group Co., Ltd.	37,134,294	-
Accounts payable	CCCC Capital Holdings Co., Ltd.	37,062,693	-
Accounts payable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	34,087,113	16,878,682
Accounts payable	Road & Bridge East China Engineering Co., Ltd.	22,984,931	22,984,931
Accounts payable	ZPMC Southeast Asia Pte. Ltd	18,262,858	16,657,949
Accounts payable	CNPC & CCCC Petroleum Sales Co., Ltd.	17,414,765	18,903,424
Accounts payable	CCCC Second Highway Consultants Co., Ltd.	12,853,275	20,038,332
Accounts payable	CCCC Water Transportation Planning and Design Institute Co., Ltd.	12,388,149	5,907,891
Accounts payable	Shanghai Communications Construction Contracting Co., Ltd.	12,342,974	21,494,837
Accounts payable	CCCC Shanghai Dredging Co., Ltd.	12,221,713	20,295,398
Accounts payable	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	8,581,250	8,581,250
Accounts payable	No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	7,815,018	7,815,018
Accounts payable	China Road & Bridge Corporation	7,101,342	-
Accounts payable	CCCC Fourth Harbor Consultants Co., Ltd.	4,100,000	-
Accounts payable	China Communications Information Technology Group Co., Ltd.	4,099,840	-
Accounts payable	CCCC Third Harbor Consultants Co., Ltd.	2,318,868	-
Accounts payable	CCCC First Harbor Engineering Co., Ltd.	2,298,606	6,498,606
Accounts payable	CCCC (Xiamen) Information Co., Ltd	2,252,376	-
Accounts payable	CCCC Shanghai Channel Equipment Industry Co., Ltd.	1,500,166	594,418
Accounts payable	CCCC Photovoltaic Technology Co., Ltd.	1,265,147	-
Accounts payable	Shanghai Jiangtian Industrial Co., Ltd.	846,373	4,419,111
Accounts payable	CCCC Urban Operation Management Co., Ltd.	515,191	-
Accounts payable	Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC	323,990	323,990
Accounts payable	CCCC First Harbor Consultants Co., Ltd.	302,041	7,631,212
Accounts payable	Chuwa Bussan Co., Ltd.	258,445	-
Accounts payable	Xiamen Jiehang Engineering Testing Technology Co., Ltd.	256,536	256,536
Accounts payable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	201,479	11,691
Accounts payable	CCCC Second Highway Engineering Co., Ltd.	121,494	121,494
Accounts payable	CCCC Xingyu Technology Co., Ltd	80,500	-
Accounts payable	Friede & Goldman, Llc.	69,331	-
Accounts payable	Jiangmen Hangtong Shipbuilding Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	40,000	14,280,000
Accounts payable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	33,849	33,849
Accounts payable	Shanghai Zhensha Longfu Machinery Co., Ltd.		6,751,252
Accounts payable	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.		3,962,714
Accounts payable	Zhenhua (Singapore) Engineering Co., Ltd.		9,774
Notes payable	CCCC Shanghai Equipment Engineering Co., Ltd.	94,321,451	106,040,000

Item	Related parties	Ending book balance	Beginning book balance
Notes payable	ZPMC Changzhou Coatings Co., Ltd.	25,611,390	12,215,422
Notes payable	CCCC Third Harbor Consultants Co., Ltd.	444,000	
Contract liabilities	CCCC Third Harbor Engineering Co., Ltd.	434,880,751	197,449,765
Contract liabilities	CCCC Electrical and Mechanical Engineering Co., Ltd.	261,521,126	-
Contract liabilities	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	227,465,345	-
Contract liabilities	China Harbour Engineering Co., Ltd.	201,398,971	92,144,941
Contract liabilities	CCCC Haifeng Wind Power Development Co., Ltd.	119,118,961	-
Contract liabilities	Road & Bridge International Co., Ltd.	112,630,074	80,598,342
Contract liabilities	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	84,539,773	125,675,111
Contract liabilities	China Road & Bridge Corporation	36,136,025	28,615,217
Contract liabilities	CCCC Yancheng Construction Development Co., Ltd.	13,987,039	19,370,518
Contract liabilities	CCCC Second Harbor Engineering Co., Ltd.	11,504,425	-
Contract liabilities	Zhenhua Engineering Co., Ltd.	11,480,886	11,480,886
Contract liabilities	CCCC First Harbor Engineering Co., Ltd.	7,079,646	18,506,940
Contract liabilities	Jiangsu CCCC Green Energy Photovoltaic Technology Co., Ltd.	2,600,000	-
Contract liabilities	CCCC-SHEC Fifth Highway Engineering Co., Ltd.	2,326,834	-
Contract liabilities	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	476,839	-
Contract liabilities	China Communications Construction Company Ltd.	399,000	644,250
Contract liabilities	CCCC Financial Leasing Co., Ltd.	389,878	-
Contract liabilities	ZPMC Changzhou Coatings Co., Ltd.	307,315	-
Contract liabilities	ZPMC Southeast Asia Pte. Ltd	299,053	336,651
Contract liabilities	Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	200,000	200,000
Contract liabilities	CCCC Shanghai Equipment Engineering Co., Ltd.	100,000	100,000
Contract liabilities	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.		170,288,676
Contract liabilities	CCCC Third Highway Engineering Co., Ltd.		15,160,936
Contract liabilities	CCCC-SHEC First Highway Engineering Co., Ltd.		10,757,478
Contract liabilities	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.		3,000,000
Contract liabilities	CCCC Tianjin Dredging Co., Ltd.		1,190,280
Contract liabilities	CCCC Tianjin Industry and Trade Co., Ltd.		1,158,633
Contract liabilities	CCCC Second Highway Engineering Co., Ltd.		516,117
Contract liabilities	No.3 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.		248,624
Contract liabilities	Friede & Goldman, LLC.		67,174
Contract liabilities	China Highway Vehicle & Machinery Co., Ltd.		200
Other payables	CCCC Tianjin Dredging Co., Ltd.	2,156,170	51,129
Other payables	Zhenhua Marine Energy (HK) Co., Ltd.	2,047,861	-
Other payables	CCCC	1,600,544	1,599,944
Other payables	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	1,001,393	-
Other payables	CCCC Electrical and Mechanical Engineering Co., Ltd.	665,174	-
Other payables	No.3 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	657,337	657,337
Other payables	CCCC Dredging (Group) Co., Ltd.	582,966	2,000,000
Other payables	CCCC Third Highway Engineering Co., Ltd.	554,719	743,216
Other payables	CCCC Construction Group Co., Ltd.	506,519	-
Other payables	ZPMC Changzhou Coatings Co., Ltd.	497,600	57,600
Other payables	CCCC Xiongan Urban Construction Development Co., Ltd.	330,000	-
Other payables	Road & Bridge International Co., Ltd.	224,574	1,600,000
Other payables	CCCC Urban Operation Management Co., Ltd.	202,626	-
Other payables	China Communications Construction Company Ltd.	194,979	-
Other payables	Shanghai Jiangtian Industrial Co., Ltd.	150,000	5,571,886



Item	Related parties	Ending book balance	Beginning book balance
Other payables	CCCC Shanghai Equipment Engineering Co., Ltd.	100,000	107,000
Other payables	Harbor Construction Engineering Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	85,685	11,434
Other payables	Shanghai China Communications Water Transportation Design & Research Co., Ltd.	81,000	15,200
Other payables	Xiamen Jiehang Engineering Testing Technology Co., Ltd.	64,237	64,237
Other payables	CCCC Third Harbor Consultants Co., Ltd.	55,600	-
Other payables	Tianjin Harbour Engineering Quality Inspection Center Co., Ltd.	49,000	49,000
Other payables	CCCC Xingyu Technology Co., Ltd.	8,000	-
Other payables	CCCC Third Harbor Engineering Co., Ltd.	3,350	51,664
Other payables	CCCC Water Transportation Planning and Design Institute Co., Ltd.	3,000	-
Other payables	CCCC Shanghai Channel Equipment Industry Co., Ltd.	2,000	-
Other payables	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	100	100
Other payables	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.		1,327,942
Other payables	CCCC (Zhengzhou) Construction Co., Ltd.		600,000
Other payables	CCCC Second Highway Engineering Co., Ltd.		200,000
Other payables	Shanghai Zhensha Longfu Machinery Co., Ltd.		170,000
Other payables	CCCC Leasing (Shandong) Co., Ltd.		20,000
Other payables	DaHua Technology Co., Ltd.		10,000
Short-term borrowings	CCCC Xiongan Financial Leasing Co., Ltd.	110,000,000	20,000,000
Short-term borrowings	CCCC Finance Company Ltd.	48,869,847	
Non-current liabilities due within one year	CCCC Finance Company Ltd.	100,061,111	
Non-current liabilities due within one year	CCCC Xiongan Financial Leasing Co., Ltd.		117,003,704
Long-term payables	CCCC Dredging (Group) Co., Ltd.	262,957,217	-
Long-term payables	CCCC Second Harbor Engineering Co., Ltd.	84,569,030	137,123,967
Long-term payables	CCCC Construction Group Co., Ltd.	39,558,526	39,558,526
Long-term payables	CCCC Third Harbor Engineering Co., Ltd.	37,952,715	34,665,923
Long-term payables	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	9,520,885	9,520,885
Long-term payables	First Highway Engineering Group Co., Ltd.	2,547,110	-
Long-term payables	CCCC Second Highway Engineering Co., Ltd.	125,862	-
Long-term payables	CCCC Tianjin Dredging Co., Ltd.		243,811,149
Long-term payables	CCCC Xiongan Financial Leasing Co., Ltd.		33,555,556
Long-term payables	CCCC - SHEC Second Highway Engineering Co., Ltd.		125,862
Long-term borrowings	CCCC Finance Company Ltd.	544,332,445	644,393,556
Long-term borrowings	CCCC Xiongan Financial Leasing Co., Ltd.		25,168,519

(3). Other projects

Applicable Not Applicable

7. Commitments with related parties

Applicable Not Applicable

Rendering of services for the Group by related parties

	2023	2022
CCCC Third Highway Engineering Co., Ltd.	1,151,555,816	-
CCCC Third Harbor Engineering Co., Ltd.	617,870,543	761,097,020
CCCC First Highway Fifth Engineering Co., Ltd.	388,366,210	388,366,210

	2023	2022
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	305,931,400	305,931,400
CCCC Tianjin Dredging Co., Ltd.	283,930,853	393,318,809
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	56,568,996	56,568,996
CCCC First Highway Engineering Co., Ltd.	35,569,533	185,310,227
Shanghai Communications Construction Contracting Co., Ltd.	2,631,313	2,631,313
CCCC Tunnel Engineering Company Limited	158,070	158,070
Total	2,842,582,734	2,093,382,045

Sale of products, provision of labor or leasing services to related parties

	2023	2022
CCCC Second Harbor Engineering Co., Ltd.	1,302,245,342	-
CCCC Electrical and Mechanical Engineering Co., Ltd.	800,640,000	-
China Harbour Engineering Co., Ltd.	486,696,286	55,177,980
CCCC Haifeng Wind Power Development Co., Ltd.	434,985,212	942,273,538
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	257,943,782	25,950,000
CCCC Third Highway Engineering Co., Ltd.	249,164,992	-
CCCC Third Harbor Engineering Co., Ltd.	226,800,000	145,655,357
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	211,612,759	528,800,000
China Road & Bridge Corporation	17,551,510	34,957,678
Road & Bridge International Co., Ltd.	-	241,720,000
CCCC First Harbor Engineering Co., Ltd.	-	224,844,126
CCCC Second Highway Engineering Co., Ltd.	-	154,280,200
CCCC-SHEC First Highway Engineering Co., Ltd.	-	36,000,000
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	-	27,783,186
CCCC Fourth Harbor Engineering Co., Ltd.	-	5,855,752
China Communications Construction Company Ltd.	-	3,681,416
Total	3,987,639,883	2,426,979,233

8. Others

Applicable Not Applicable

Monetary funds deposited in the related parties

	2023	2022
CCCC Finance Company Ltd.	1,600,000,000	435,568

XV. Share-based payment

1. Various equity instruments

Applicable Not Applicable

Stock options or other equity instruments outstanding at the end of the period

Applicable Not Applicable

2. Equity-settled share-based payments

Applicable Not Applicable

3. Cash-settled share-based payments

Applicable Not Applicable



4. Share payment expenses for the current period

Applicable Not Applicable

5. Modification and termination of share-based payment

Applicable Not Applicable

6. Others

Applicable Not Applicable

XVI. Commitments and contingencies

1. Significant commitments

Applicable Not Applicable

Significant external commitments, nature and amount on the balance sheet date

Matters related to capital expenditure commitments

Commitments related to capital expenditure contracted for but not provided in the financial statements as at the balance sheet date:

	2023	2022
Buildings and constructions, machinery equipment	589,701,542	569,759,423

L/C commitments

The Group had entrusted the bank to issue several L/Cs to purchase imported components and parts. As at December 31, 2023, the unpaid amount under the L/Cs was about RMB 3,465,483,822 (as at December 31, 2022: RMB 2,201,297,673).

2. Contingencies

(1). Significant contingencies on the balance sheet date

Applicable Not Applicable

(2). If the company has no significant contingencies to be disclosed, it shall also explain:

Applicable Not Applicable

3. Others

Applicable Not Applicable

XVII. Post balance sheet events

1. Significant non-adjustment events

Applicable Not Applicable

2. Profit distribution

Applicable Not Applicable

3. Sales return

Applicable Not Applicable

None

4. Description of other post balance sheet events

Applicable Not Applicable

XVIII. Other significant events

1. Correction of previous accounting errors

(1). Retrospective restatement

Applicable Not Applicable

(2). Prospective application

Applicable Not Applicable

2. Important debt restructuring

Applicable Not Applicable

3. Assets exchange

(1). Non-monetary assets exchange

Applicable Not Applicable

(2). Other assets exchange

Applicable Not Applicable

4. Pension plan

Applicable Not Applicable

5. Discontinuing operations

Applicable Not Applicable

6. Segments

(1). Determination basis and accounting policies of reporting segment

Applicable Not Applicable

The Group determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

Operating segment refers to the component part of the Group that meet the following requirements: (1) it can generate income and expenses in daily activities; (2) the management of the Group can regularly evaluate its operating results to determine its allocation of resources and to evaluate its performance; (3) the Group is able to obtain its accounting information regarding financial position, operating results and cash flows, etc. If two or more operating segments have similar economic characteristics, and have met a certain condition, they will be merged into one operating segment.

The Group identified the business as an operating segment for analysis and assessment based on internal organization structure, management requirement and internal report system.

(2). Financial information of reporting segment

Applicable Not Applicable



(3). If the Company has no reporting segments or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be stated

Applicable Not Applicable

(4). Other description

Applicable Not Applicable

Product and labor information

Income from external transactions

	2023	2022
Port machinery	21,236,864,182	20,731,800,489
Heavy equipment	5,422,715,054	3,085,509,098
Steel structure and related income	3,166,048,520	2,731,132,322
Engineering construction projects	1,528,578,218	1,613,996,721
Shipping and lifting services	1,209,116,050	1,719,708,160
Lease income	296,335,872	225,960,519
Sales of materials and others	73,605,906	83,685,678
Total	32,933,263,802	30,191,792,987

Geographic information

Income from external transactions

	2023	2022
Chinese Mainland	18,521,970,127	16,017,286,405
Asia (excluding Chinese Mainland)	6,029,644,681	7,867,109,144
North America	2,386,479,118	2,181,504,594
Africa	2,032,771,314	1,368,578,664
Europe	1,096,740,543	877,042,956
South America	1,183,625,912	600,144,518
Chinese Mainland (export sales)	964,530,587	968,104,389
Oceania	717,501,520	312,022,317
Total	32,933,263,802	30,191,792,987

The income from external transaction is attributable to where the customer is located.

Total non-current assets

	2023	2022
Chinese Mainland	19,018,972,291	19,253,173,359
Asia (excluding Chinese Mainland)	10,697,184,427	10,140,996,412
Others	30,226,859	111,020,668
Total	29,746,383,577	29,505,190,439

The non-current assets are attributable to where they are located, excluding financial assets, long-term equity investment, goodwill, deferred income tax assets and other non-current assets.

7. Other significant transactions and events with impacts on investors' decisions

Applicable Not Applicable

Lease

(1). As a lessor

	2023	2022
Interest expense of lease liabilities	1,313,980	615,840
Short-term lease expenses with simplified treatment included in the current profit or loss	217,888,742	104,487,307
Total cash outflows related to leases	259,695,514	122,403,881
Cash outflow from leaseback	249,669,758	242,328,806

The leased assets leased by the Group include buildings and constructions, machinery and equipment, transportation equipment and other equipment used in the course of operations, and the lease term is usually 1-3 years. The lease contract usually stipulates that the Group cannot sublet the leased assets. A few lease contracts include the option of renewal.

Leaseback

The Group usually enters into leaseback transactions for the purchase price of large ships or equipment, where the transfer of the assets is not a sale. The Group continues to recognize the transferred assets together with a financial liability equal to the transfer income. The Group takes such leaseback transactions as mortgage loans for accounting treatment. The Group makes annual leaseback financing payments to the finance leasing company in accordance with the terms of the contract.

Other lease information

Right-of-use assets are detailed in Note VII (25). The simplified treatment of short-term lease and low-value assets lease is detailed in Note V (34). The lease liabilities are detailed in Note VII (47).

(2). As a lessor

Operating lease

The profit or loss related to operating leases is presented as follows:

	2023	2022
Lease income	296,335,872	225,960,519

According to the lease agreement signed with the lessee, the undiscounted minimum lease receipts are as follows:

	2023	2022
Within 1 year (including 1 year)	291,022,650	239,242,941
1 to 2 years (including 2 years)	222,198,493	132,035,513
2-3 years (including 3 years)	113,076,268	42,528,101
3 to 4 years (including 4 years)	105,432,422	19,751,071
4 to 5 years (including 5 years)	55,144,117	85,516,755
Over 5 years	54,066,921	828,273
Total	840,940,871	519,902,654

8. Others

Applicable Not Applicable

**XIX. Notes to main items of the financial statements of the parent company**

1. Accounts receivable

(1). Disclosure by aging

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Aging	Ending book balance	Beginning book balance
Within 1 year		
Including: subitem within 1 year		
Sub-total of items within 1 year	17,506,406,564	15,808,520,882
1-2 years	1,298,787,513	580,444,164
2-3 years	524,496,529	1,854,369,394
Over 3 years		
3-4 years	873,709,763	666,023,611
4-5 years	619,231,498	83,902,642
Over 5 years	1,195,350,563	1,126,924,513
Total	22,017,982,430	20,120,185,206

(2). Disclosure by bad debt calculation method

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Category	December 31, 2023					December 31, 2022				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	908,640,230	4	837,390,899	92	71,249,331	896,540,136	4	825,285,390	92	71,254,746
Including:										
Provision for bad debts by portfolio	21,109,342,200	96	1,494,832,380	7	19,614,509,820	19,223,645,070	96	1,280,658,766	7	17,942,986,304
Including:										
Total	22,017,982,430	/	2,332,223,279	/	19,685,759,151	20,120,185,206	/	2,105,944,156	/	18,014,241,050

Individual provision for bad debts:

√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Name	December 31, 2023			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Accounts receivable 1	474,995,540	403,746,209	85	Counterparty financial shortage

Description of individual provision for bad debts:

 Applicable Not Applicable

Provision for bad debts by portfolio:

 Applicable Not Applicable

Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Basis for division of each stage and proportion of provision for bad debt

None

Explanation of significant changes in the book balance of accounts receivable with changes in provisions for losses in the current period:

Applicable Not Applicable

(3). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

Other description

None

(4). Accounts receivable actually written off in the current period

Applicable Not Applicable

Write-off of important accounts receivable

Applicable Not Applicable

Explanation of write-off of accounts receivable:

Applicable Not Applicable

(5). Top 5 accounts receivable and contract assets in terms of ending balance presented by debtor

Applicable Not Applicable

Unit: Yuan Currency: CNY

Name	Balance of accounts receivable at the end of the period	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets (%)	Balance of provision for bad debts as at December 31, 2023
Client 1	8,351,833,500		8,351,833,500	33	
Client 2	3,035,336,431		3,035,336,431	12	
Client 3	1,152,012,773		1,152,012,773	5	
Client 4	890,511,351		890,511,351	4	
Client 5	772,025,403		772,025,403	3	
Total	14,201,719,458		14,201,719,458	57	

Other description

None

Other description

Applicable Not Applicable

Amount of assets and liabilities formed by transferring accounts receivable and continuing involvement

	2023			2022		
	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration
Within 1 year	17,461,085,304	1	90,249,445	15,806,393,464	1	88,542,607
1-2 years	1,298,747,013	11	142,435,627	580,444,164	14	79,426,723
2-3 years	524,496,529	31	165,173,740	1,744,608,256	27	464,722,489



	2023			2022		
	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration
3-4 years	763,948,625	52	399,145,777	223,238,665	38	85,019,638
4-5 years	215,541,551	49	105,860,594	69,671,842	58	40,507,107
Over 5 years	845,523,178	70	591,967,197	799,288,679	65	522,440,202
Total	21,109,342,200		1,494,832,380	19,223,645,070		1,280,658,766

Changes in the provision for bad debts of accounts receivable are as follows:

	January 1, 2023	Provision in 2023	Recovery or reversal in 2023	Write-off in 2023	December 31, 2023
2023 年	2,105,944,156	675,787,609	(449,508,486)		2,332,223,279
2022 年	1,888,796,590	677,030,281	(425,803,410)	(34,079,305)	2,105,944,156

2. Other receivables

Item presentation

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023	December 31, 2022
Interest receivable		
Dividends receivable		315,789,096
Other receivables	3,373,418,359	1,364,774,518
Total	3,373,418,359	1,680,563,614

Other description:

Applicable Not Applicable

None

Interest receivable

(1). Classification of interest receivable

Applicable Not Applicable

(2). Significant overdue interest

Applicable Not Applicable

(3). Provision for bad debts

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Description of individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

(4). Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Basis for division of each stage and proportion of provision for bad debt

None

Explanation of significant changes in the book balance of interests receivable with changes in provisions for losses in the current period:

Applicable Not Applicable

(5). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

Other description:

None

(6). Interests receivable actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of interests receivable

Applicable Not Applicable

Note to write-off:

Applicable Not Applicable

Other description:

Applicable Not Applicable

Dividends receivable

(7). Dividends receivable

Applicable Not Applicable

Unit: Yuan Currency: CNY

Project (or invested entity)	December 31, 2023	December 31, 2022
Nanjing Ninggao New Channel Construction Co., Ltd.		315,789,096
Total		315,789,096

(8). Significant dividends receivable aging over 1 year

Applicable Not Applicable

(9). Disclosure by bad debt calculation method

Applicable Not Applicable

Individual provision for bad debts:

Applicable Not Applicable

Description of individual provision for bad debts:

Applicable Not Applicable

Provision for bad debts by portfolio:

Applicable Not Applicable

(10). Provision for bad debts is calculated based on the general model of expected credit loss

Applicable Not Applicable

Basis for division of each stage and proportion of provision for bad debt

None

Explanation of significant changes in the book balance of dividends receivable with loss provision changes in the current



period:

Applicable Not Applicable

(11). Provision for bad debts

Applicable Not Applicable

The recovered or reversed provision for bad debts with significant amount:

Applicable Not Applicable

Other description: None

(12). Dividends receivable actually written off in the current period

Applicable Not Applicable

Including important notes for write-off of dividends receivables

Applicable Not Applicable

Note to write-off:

Applicable Not Applicable

Other description:

Applicable Not Applicable

Other receivables

(13). Disclosure by aging

Applicable Not Applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2023	December 31, 2022
Within 1 year		
Including: subitem within 1 year		
Sub-total of items within 1 year	3,130,089,916	1,337,834,798
1-2 years	269,083,428	41,098,467
2-3 years	20,451,164	6,159,589
Over 3 years		
3-4 years	475,947	3,740,605
4-5 years	214,964	199,800
Over 5 years	8,809,617	9,610,964
Total	3,429,125,036	1,398,644,223

(14). Classification by nature of funds

Applicable Not Applicable

Unit: Yuan Currency: CNY

Nature of funds	December 31, 2023	December 31, 2022
Current accounts between subsidiaries	2,513,480,020	671,021,717
Taxes on outstanding payment receivable	748,596,070	332,163,971
Lease payment receivable	48,652,497	41,353,252
Customs deposits	47,542,730	267,023,626
Bid and performance bonds	43,273,004	50,292,193
Money on call of on-site product service	14,199,697	21,959,592
Staff loan receivable	12,300,811	13,295,583
Others	1,080,207	1,534,289
Total	3,429,125,036	1,398,644,223

(15). Other receivables√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Provision for bad debt	Stage I	Stage II	Stage III	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of January 1, 2023		27,969,617	5,900,088	33,869,705
Balance on January 1, 2023 is in the period				
Transferred to Stage II				
Transferred to Stage III				
Write-back to Stage II				
Write-back to Stage I				
Provision in the current period		21,836,972		21,836,972
Reversal in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2023		49,806,589	5,900,088	55,706,677

Basis for division of each stage and proportion of provision for bad debt

None

Description of significant changes in book balance of other receivables with changes in loss provision in the current period:

 Applicable Not Applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

 Applicable Not Applicable**(16). Provision for bad debts** Applicable Not Applicable

Including the reversed or recovered provision for bad debts with significant amount in the current period:

 Applicable Not Applicable

Other description:

None

(17). Other receivables actually written off in the current period Applicable Not Applicable

Including important notes for write-off of other receivables:

 Applicable Not Applicable

Explanation of write-off of other receivables:

 Applicable Not Applicable**(18). Top 5 other receivables in terms of ending balance presented by debtor**√ Applicable Not Applicable



Unit: Yuan Currency: CNY

Name	December 31, 2022	Proportion in the total balance of other receivables (%)	Nature	Aging	Balance of provision for bad debts as at December 31, 2022
Other receivables 1	1,743,797,359	51	Transactions with subsidiaries	Within 1 year	
Other receivables 2	437,759,566	13	Taxes to be settled	Within 1 year	
Other receivables 3	342,193,351	10	Transactions with subsidiaries	Within 1 year	
Other receivables 4	160,954,282	4	Transactions with subsidiaries	Within 1 year	
Other receivables 5	102,561,642	3	Transactions with subsidiaries	Within 1 year	
Total	2,787,266,200	81	/	/	

(19). Presented in other receivables due to centralized fund management

□ Applicable √ Not Applicable

Other description:

√ Applicable □ Not Applicable

2023

	Book balance		Provision for bad debt		Book value
	Amount	Proportion(%)	Amount	Accruing proportion (%)	
Provision for bad debts accrued on an individual basis	5,900,088		5,900,088	100	
According to the portfolio of the credit risk characteristics Bad debt provision	3,423,224,948	100	49,806,589	1	3,373,418,359
Total	3,429,125,036	100	55,706,677	2	3,373,418,359

2022

	Book balance		Provision for bad debt		Book value
	Amount	Proportion(%)	Amount	Accruing proportion (%)	
Provision for bad debts accrued on an individual basis	5,900,088		5,900,088	100	
According to the portfolio of the credit risk characteristics Bad debt provision	1,392,744,135	100	27,969,617	2	1,364,774,518
Total	1,398,644,223	100	33,869,705	2	1,364,774,518

As at December 31, 2023, there were no other significant receivables with provision for bad debts accrued on an individual basis (2022: nil).

As at December 31, 2023, other receivables with provision for bad debts accrued by portfolio are as follows:

	Book balance	Provision for impairment	Proportion of provision (%)
Within 1 year	3,130,089,917		
1 to 2 years	269,083,428	40,362,515	15
2 to 3 years	20,451,164	6,135,349	30
3 to 4 years	475,947	237,974	50
4 to 5 years	214,964	161,223	75
Over 5 years	2,909,528	2,909,528	100
Total	3,423,224,948	49,806,589	

3. Long-term equity investments

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2023		December 31, 2022			
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	7,518,092,281		7,518,092,281	7,403,925,081		7,403,925,081
Investment in joint ventures and associates	1,938,669,154		1,938,669,154	1,985,654,163		1,985,654,163
Total	9,456,761,435		9,456,761,435	9,389,579,244		9,389,579,244

(1). Investment in subsidiaries

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023	Provision for impairment in current period	Balance of provision for impairment as at December 31, 2023
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	2,201,086,744			2,201,086,744		
Nanjing Ninggao New Channel Construction Co., Ltd.	100,000,000			100,000,000		
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	2,500,000,000			2,500,000,000		
ZPMC Transmission Machinery (Nantong) Co., Ltd.	506,112,853			506,112,853		
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	376,438,604			376,438,604		
ZPMC Qidong Marine Engineering Co., Ltd.	203,000,000			203,000,000		
CCCC Liyang Urban Investment and Construction Co., Ltd.	363,000,000			363,000,000		
Shanghai Zhenhua Shipping Co., Ltd.	140,260,673			140,260,673		
Shanghai Zhenhua Ocean Engineering Service Co., Ltd.	100,000,000			100,000,000		
ZPMC Electric Co., Ltd.	50,000,000			50,000,000		
CCCC Investment & Development Qidong Co., Ltd.	297,500,000			297,500,000		
ZPMC North America Inc.	18,564,520			18,564,520		
ZPMC Netherlands Coöperatie U.A.	29,434,964			29,434,964		
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	9,964,200			9,964,200		
ZPMC Machinery Equipment Services Co., Ltd.	7,000,000			7,000,000		
ZPMC Lanka Company (Private) Limited	6,183,978			6,183,978		
ZPMC Middle East Fze	5,271,120			5,271,120		
ZPMC Zhangjiagang Port Machinery Co., Ltd.	4,518,000			4,518,000		
ZPMC Limited Liability Company	10,172,070			10,172,070		
ZPMC Southeast Asia Holding Pte. Ltd.	12,513,114			12,513,114		
ZPMC Engineering Africa (Pty) Ltd.	3,084,000			3,084,000		
ZPMC Engineering (India) Private Limited	2,953,200			2,953,200		
ZPMC Brazil Serviço Portuários LTD.	2,936,771			2,936,771		
ZPMC Korea Co., Ltd.	6,398,059			6,398,059		
ZPMC UK LD	2,797,921			2,797,921		
ZPMC Australia Company (Pty) Limited	2,708,500			2,708,500		
CCCC Rudong Construction Development Co., Ltd.	82,510,000			82,510,000		
CCCC Yongjia Construction Development Co., Ltd.	224,000,000	57,467,200		281,467,200		
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.	4,000,000			4,000,000		
ZPMC Latin America Holding Corporation	3,307,850			3,307,850		
ZPMCGmbHHamburg	207,940			207,940		



Invested entity	December 31, 2022	Increase in current period	Decrease in current period	December 31, 2023	Provision for impairment in current period	Balance of provision for impairment as at December 31, 2023
ZPMC Fuzhou Offshore Construction Co., Ltd.	10,000,000			10,000,000		
CCCC (Dongming) Investment and Construction Co., Ltd.	70,000,000	56,700,000		126,700,000		
Xiong'an Zhenhua Co., Ltd.	15,000,000			15,000,000		
CCCC Zhenhua Intelligent Parking (Hengyang) Co., Ltd.	33,000,000			33,000,000		
Total	7,403,925,081	114,167,200		7,518,092,281		

(2). Investment in joint ventures and associates

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2022	Increase/decrease in the current period							December 31, 2023	Balance of provision for impairment as at December 31, 2023
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profit declared to be distributed	Provision for impairment		
Joint ventures										
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	364,936,081			1,466,212						366,402,293
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	396,692			75,782						472,474
Sub-total	365,332,773			1,541,994						366,874,767
Associates										
CCCC Financial Leasing Co., Ltd.	674,329,533			72,459,680	-816,869	-19,561,335	-104,370,656			622,040,353
CCCC Yancheng Construction Development Co., Ltd.	418,516,242									418,516,242
CCCC Estate Yixing Co., Ltd.	206,795,481			4,862,637						211,658,118
CCCC South American Regional Company SARL	194,391,003			-7,397,705	-894,845					186,098,453
China communications Construction USA Inc.	59,980,865			261,190	993,306					61,235,361
CCCC Photovoltaic Technology Co., Ltd.	34,819,763			873,713						35,693,476
ZPMC Changzhou Coatings Co., Ltd.	18,440,159			5,843,354						24,283,513
CCCC Xiongan Urban Construction Development Co., Ltd.	7,540,333			32,936						7,573,269
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	5,508,011			-812,409						4,695,602
CCCC Marine Engineering & Technology Research Center Co., Ltd.										
Sub-total	1,620,321,390			76,123,396	-718,408	-19,561,335	-104,370,656			1,571,794,387
Total	1,985,654,163			77,665,390	-718,408	-19,561,335	-104,370,656			1,938,669,154

(3). Impairment test of long-term equity investments

□ Applicable √ Not Applicable

Other description:

None

4. Operating revenue and operating costs

(1). Operating revenue and operating costs

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary businesses	24,944,448,973	22,516,887,873	23,815,340,356	21,476,119,929
Other business	3,504,598,848	3,307,252,552	2,351,859,784	2,239,174,472
Total	28,449,047,821	25,824,140,425	26,167,200,140	23,715,294,401

(2). Breakdown of operating income and operating cost

Applicable Not Applicable

Unit: Yuan Currency: CNY

Classification of Contract	XXX Division		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Type of goods				
Port machinery			19,433,781,080	17,125,659,392
Heavy equipment			3,492,739,686	3,484,984,990
Sales of materials and others			3,391,954,282	3,142,003,257
Steel structure and related income			1,941,285,729	1,839,770,354
Lease income			112,644,566	165,249,295
Engineering construction projects			76,642,478	66,473,137
By region of operation				
Chinese Mainland			15,498,685,208	14,387,696,155
Asia (excluding Chinese Mainland)			5,267,710,364	4,883,035,106
North America			2,129,425,693	1,883,039,476
Africa			1,976,542,133	1,478,646,158
South America			1,101,504,962	1,014,547,604
Chinese Mainland (export sales)			934,840,666	852,266,376
Europe			832,046,338	758,671,548
Oceania			708,292,457	566,238,002
Market or customer type				
Contract type				
By time of goods transfer				
Transfer at a certain point			23,536,580,616	21,847,398,115
Transfer within a certain period			4,912,467,205	3,976,742,310
By contract term				
By sales channel				
Total			28,449,047,821	25,824,140,425

Other description:

Applicable Not Applicable

(3). Performance obligations

Applicable Not Applicable

(4). Apportionment to remaining performance obligations

Applicable Not Applicable

**(5). Major contract changes or major transaction price adjustments** Applicable Not Applicable

Other description:

None

5. Investment income Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments calculated under cost method	202,022,509	441,136,785
Income from long-term equity investment calculated under the equity method	77,665,390	170,768,840
Investment income from disposal of long-term equity investment		-95,166
Investment income from held-for-trading financial assets during the holding period	4,219,685	13,458,094
Dividend income from other equity instrument investment during holding	335,790	335,790
Interest income from debt investment during holding		
Interest income from other debt investment during holding		
Investment income from disposal of held-for-trading financial assets	34,445,278	5,843
Investment income from disposal of other equity instrument investment		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Income from debt restructuring		
Losses on derecognition of financial assets measured at amortized cost	-115,312,416	-20,135,378
Others	-11,565,673	-1,455,319
Total	191,810,563	604,019,489

Other description:

None

6. Others Applicable Not Applicable**XX. Supplementary information****1. Items of non-recurring profit or loss in current period** Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Amount	Remarks
Profit or loss from disposal of non-current assets, including the write-off portion of the provision of asset impairment	79,038,662	
Government subsidies included in current profits and losses except for government subsidies closely related to the normal operations of the Company, in line with national policies, and obtained according to determined standards, with a lasting impact on the Company's profits and losses	107,480,822	
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and from disposal of financial assets and financial liabilities, except for effective hedging operations associated with the Company's normal operations	94,482,602	
Capital occupation fees charged to the non-financial enterprises and included in current profit or loss		
Profit or loss from the assets entrusted to others for investment or management		

Item	Amount	Remarks
Profit or loss from external entrusted loans		
Losses of various assets caused by force majeure such as natural disasters		
Reversal of provision for impairment of receivables subject to separate impairment test		
Profit generated when the Company's investment cost in acquiring the subsidiary, affiliated company and joint venture is less than the fair value of the recognizable net assets of the invested unit at the time of acquiring		
Current net profit or loss of the subsidiary generated from the business combination under common control from the beginning of the period to the combination date		
Profit or loss from non-monetary assets exchange		
Profit or loss from debt reorganization		
One-time expenses incurred by the enterprise due to the discontinuation of related business activities, such as the expenditure of employee resettlement, etc.		
One-time impact on the current profit and loss due to adjustments in laws and regulations of taxation and accounting		
Share payment expenses recognized once due to cancellation or modification of equity incentive plans		
Profits and losses resulting from changes in the fair value of employee compensation payable after the exercise date in terms of cash-settled share payments		
Profit or loss on changes in fair value of investment property by follow-up measurement in fair value mode		
Profits from transactions with obviously unfair transaction prices		
Profit or loss from the contingencies, unrelated to the normal business of the Company		
Custody fees of entrusted operation		
Other non-operating revenue and expenses except for the above-mentioned items	19,796,255	
Other profit or loss items that conform to the definition of non-recurring profit or loss		
Less: Affected amount of income tax	45,161,118	
Affected amount of minority equity (after tax)	9,804,419	
Total	245,832,804	

Explanations should be provided to the items not listed in the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss", but identified as non-recurring profit or loss items with significant amount by the Company, and the non-recurring profit or loss items listed in the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss", but defined as recurring profit or loss items by the Company.

Applicable Not Applicable

Other description:

Applicable Not Applicable

2. Return on net assets and earnings per share

Applicable Not Applicable

Profit in the reporting period	Weighted average rate of return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	3.37	0.10	0.10
Profits attributable to the company's common shareholders after deducting non-recurring profits and losses	1.74	0.05	0.05

3. Differences in accounting data under domestic and overseas accounting standards

Applicable Not Applicable

4. Others

Applicable Not Applicable



Chairman:

Date of reporting approved by the Board of Directors: March 28, 2024

Revision information

Applicable Not Applicable