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Preface

How time flies! Twenty years have passed. In 2022, CIMC Vehicles will celebrate its 20th birthday. Two decades of trials and tribulations and two decades of hard work have tempered and strengthened our company. Through struggle, we've grown – building something from nothing, growing from weak to strong. We began as an industry newcomer, and now we are the world's leading manufacturer of sophisticated manufacturing for semi-trailers and specialty vehicles.

The journey from 2002 to 2022 would not be possible without our incredible CIMC Vehicles employees. Talented and hardworking, we labored side by side, writing the wonderful story of CIMC Vehicles. Here, on behalf of senior management, I would like to express our most heartfelt thanks to all colleagues and friends of CIMC Vehicles for your support throughout the years!

Time, that faithful witness, tells the greatest stories. When I look back at 2002, when CIMC Vehicles first entered the semi-trailer industry, China had just entered the WTO, and a new tide was surging in the East. Everything was new – new opportunity and new hope. In the fertile soil of Shekou, Shenzhen, CIMC Vehicles took a stand and looked towards the entire world with ambition. With strong and strategic moves, we acquired and integrated the stars of the Chinese semi-trailer industry, including Yangzhou Tonghua, Zhumadian Huajun, Shandong CIMC (Jinan Kogel), Wuhu Ruijiang, and Luoyang Lingyu. At the same time, we expanded into overseas markets, acquiring Vanguard, a recognized semi-trailer brand in the North American market, as well as semi-trailer manufacturers in Europe, such as SDC and LAG.

After two decades of development and growth, CIMC Vehicles has achieved a strong brand advantage. In the domestic market, our brands include "Tonghua", "Huajun", "SCVC SAILING", "Ruijiang Tanker", "Lingyu Vehicles", "Liangshan Dongyue", "Pioneer Series", "CIMC Light Tower", and "Terabyte(TB)". In overseas markets, CIMC Vehicles operates well-known brands including "Vanguard" and "CIE" in North America, and it operates two well-known brands with a long history, namely "SDC" and "LAG" in Europe.

Those who observe trends are wise, but those who harness trends are winners. Presently, our country is moving away from "manufacturing" towards "intelligent manufacturing." Production is undergoing a digital and intelligent revolution, which will guarantee the forward momentum of China's manufacturing industry. In recent years, domestic manufacturing enterprises have been undergoing an exploration of industrial intelligence. As we continue to expand our business, CIMC Vehicles will forge ahead in digital design and production. We intend to keep pace with the times, striving to build an advanced manufacturing system that can meet the future and lead our industry. We will continue to invest in our "Light Tower" Projects, which will illuminate the path forward for our company. Built with this intention in mind, our first "Light Tower" plant was the opening salvo in our foray into constructing sophisticated manufacturing systems. They now guide the way forward and represent the cutting-edge in intelligent manufacturing and digitization in the global manufacturing field. With years of expansion, CIMC Vehicles has established globally 13 "Light Tower" Plants for the production of semi-trailers, 7 "Light Tower" Plants for the production of truck bodies of specialty vehicles, and 2 "Light Tower" Plants for the production of truck bodies for refrigerated trucks.

In July 2019, CIMC Vehicles (1839.HK) was successfully listed on the mainboard of the Stock Exchange of Hong Kong. In July 2021, CIMC Vehicles (301039.SZ) officially landed on the GEM board of the Shenzhen Stock Exchange, achieved the dual "A+H" listing status. We became the first A+H-share listed company registered in the GEM system – a monumental achievement and milestone on the path our company is forging!

Starlight does not abandon travelers who rush onward by night. Time does not abandon those with ambition in their hearts. Over the last two decades, we have sailed turbulent seas, overcoming obstacles while riding the gulfstream of innovation. At present, we have completed our acquisitions and integration of brands across the world. Our product offerings include semi-trailers, truck bodies of specialty vehicles, van trucks, and refrigerated trucks. Our business covers four major global

markets and 40 countries, with 23 production plants and 10 assembly plants around the world. CIMC Vehicles has ranked first in the world of semi-trailers for nine consecutive years.

As we stand on the frontier of the next 20 years, our next steps are clear. We will continue to deepen our philosophy of "Intercontinental Operation, Local Manufacturing" to strengthen the Sophisticated Manufacturing System while creating the Management of New Infrastructure. We have strategically established Six Major Businesses or Groups, to break through silos with comprehensive management that integrates strategy, operations, and coordinated development. We also intend to incubate groups and processes that will enhance performance and growth in the sophisticated manufacturing. This will help us streamline and drive the development of our organization and push us out in front of competitors as a global industry leader.

They say the impregnable pass is hard as iron, yet the first step must be taken again and again. Looking forward to the future, it's clear that we are entering an extraordinary epoch that has been unseen for a century. The pandemic has far-reaching impacts. Challenges and opportunities coexist. As always, CIMC Vehicles will remain firm in our original aspirations. With vibrant creativity, we will leverage breakthroughs to our advantage and release hidden potential. We will aggressively pursue profit growth to create space for strategic maneuvering. We will acquire what we need and let go of what we do not, and transform passivity into action so that we can better serve our customers, help our employees develop, and achieve outstanding performance for our shareholders. To support the achievement of the national strategic goal of the "Carbon Peaking and Carbon Neutrality" Policy, CIMC Vehicles intends to drive the road transportation equipment industry towards high-quality development, putting our considerable resources towards realizing the "Made in China 2025" plan.

Mr. David Li
CEO and President
CIMC Vehicles (Group) Co., Ltd.

How has CIMC Vehicles been Transformed from a Newcomer of the Industry to the Global Leader



A strong brand equals strong enterprise, and strong enterprises contribute to strong nations. Brand is the embodiment of the comprehensive core competitiveness of enterprises and even nations. Brand represents the reputation and image of a nation. In recent years, with the strengthening of brand building in China, an increasing number of Chinese enterprises have enhanced their brand awareness; they are committed to playing a leading role in brand economy and telling good brand stories.

Since entering the semi-trailer industry in 2002, CIMC Vehicles has experienced 20 years of ups and downs, from its foothold in China to its global operation, from a newcomer in the industry to a global leader in sophisticated manufacturing of semi-trailers and specialty vehicles. Seemingly, its decades of endurance highlights: how CIMC Vehicles' brand has been raised?



In 2021, the total value of logistics goods in China reached RMB **335.2 trillion**

BEING BASED ON CHINA AND FACING THE WORLD, ESTABLISHING THE GLOBAL SOPHISTICATED MANUFACTURING BRAND OF SEMI-TRAILER AND SPECIALTY VEHICLES

The development of the logistics industry must rely on the support of logistics equipment. As the "main force" of domestic cargo transportation, the development of semi-trailer directly affects the efficiency of road transportation. According to China Federation of Logistics & Purchasing announced data in 2021, the road freight volume in China increased by 14.2% on a year-on-year basis to 39.14 billion tons, and the turnover of freight increased by 14.8% on a year-on-year basis to 6.9 trillion ton-kilometers in 2021. According to the data published by the National Development and Reform Commission, the total value of logistics goods in China reached RMB335.2 trillion in 2021, representing a year-on-year increase of 9.2%. It may suggest that the strong demand for logistics and transportation in China drives the continuous unleashing of the semi-trailer market in China.

Yet, compared with the mature and highly concentrated semi-trailer market in North America and Europe, China's semi-trailer market is in the stage of development, with a low degree of specialization, immature market, low concentration, and relatively dispersed supply side.

The manufacturing industry prosper nations and brands contribute to nations. It is obvious that under the current transformation and upgrading of China's manufacturing industry, high-end manufacturing brands are indispensable for the rise of China's semi-trailer market. Since entering the semi-trailer industry in 2002, CIMC Vehicles has always been committed to promoting the high-quality development of the road transport equipment industry. With its leading business advantages, technological advantages and outstanding brand influence, CIMC Vehicles ranked first in the world in semi-trailer business in 2013. Since then, it has secured the global champion of the semi-trailer business and has become one of the representatives of Chinese manufacturing brands in the world.

Looking back on the establishment and development of the CIMC Vehicles brand, it was created by CIMC Group. The CIMC Vehicles brand was integrated into the highly market-oriented and internationalized genes in its inception. As early as the Chinese New Year of 1999, Mr. Mai Boliang, the president of CIMC Group, happened to find a van trailer with a highly similar appearance to a container during his vacation in Australia. It is like a "container with wheels" with a beautiful appearance and high transportation efficiency. Thinking of the current situation of China's inefficient and backward inland logistics industry at that time and combining

with CIMC Group's own development strategy of "providing equipment and services for modern transportation", Mr. Mai Boliang was determined to develop the semi-trailer industry, replicate the successful experience of the container industry to the new industry, and promote the comprehensive upgrading of China's logistics vehicles.

After several years of technical research and development, CIMC Vehicles began to develop its business in 2002. In the same year, CIMC Vehicles held the "CIMC Vehicles Semi-trailer and Van Semi-trailer Product Launch Conference" in Shekou, Shenzhen, marking the official launch of the semi-trailer business. The products launched at the conference were not only semi-trailer products for the Chinese market, but there were also mainly container chassis trailers as well as curtain-side trailers for the Australian market. The positioning of CIMC Vehicles' semi-trailer business is to base itself on China and face the whole world.

After 20 years of expansion and accumulation, CIMC Vehicles has accumulated a strong brand advantage. In the Chinese market, CIMC Vehicles operates brands such as "Tonghua", "Huajun", "SCVC SAILING", "Ruijiang Tanker" and "Lingyu Vehicles", "Liangshan Dongyue", "Pioneer Series", "CIMC Vehicles Light Tower" and "TB". In the overseas market, in North America, CIMC Vehicles operates local brands such as "Vanguard" and "CIE"; in Europe, CIMC Vehicles operates two local brands with a long history, namely "SDC" and "LAG".

A boat sailing against the current must forge ahead or it will be driven back. If an enterprise wants to have a long-term development, it is crucial for it to keep up with the development needs of the times. CIMC Vehicles, which have always maintained its innovative vitality, foresaw that the traditional manufacturing industry urgently needed to be transformed and upgraded. The Company first explored the construction of Sophisticated Manufacturing System, built

"Light Tower" Plants, and upgraded the "Light Tower" Plants as planned in the future, to give full play to the effectiveness of the "Light Tower Manufacturing Network", which not only promotes the six major businesses or groups, but also keep injecting vitality into its global sophisticated manufacturing brand of semi-trailer and specialty vehicles.

FROM OBTAINING 13,000 ORDERS FOR SEMI-TRAILER TO BECOMING THE GLOBAL CHAMPION OF THE SEMI-TRAILER BUSINESS FOR NINE CONSECUTIVE YEARS

To CIMC Vehicles, the process from catching up to surpassing means experiencing from successful establishment of the business from scratch to making significant achievement in business". CIMC Vehicles has transformed from a newcomer of the industry to the global leader in the semi-trailer industry. It never says empty words, but "aggressive" and step by step actions.

Twenty years ago, the specialty vehicles production base in Shenzhen, the first factory, was yet to be established. At that time, to complete the research and development of all products, CIMC Vehicles borrowed an uncovered maintenance workshop in Southern Shekou. Amid the SARS in 2003, with good customer relationships with the shipping company, CIMC Vehicles successfully obtained orders for 13,000 container transportation semi-trailers from Maersk Line, the world's largest container shipping company. This is also the single largest order for semi-trailers in China so far, marking the successful entry of semi-trailer products of CIMC Vehicles into the international market.

At that time, the vehicles by CIMC Vehicles for Maersk Line were manufactured in domestic factories. As even the license plates were affixed onto the vehicles, they could be driven immediately after arriving in the United States. This was an unprecedented

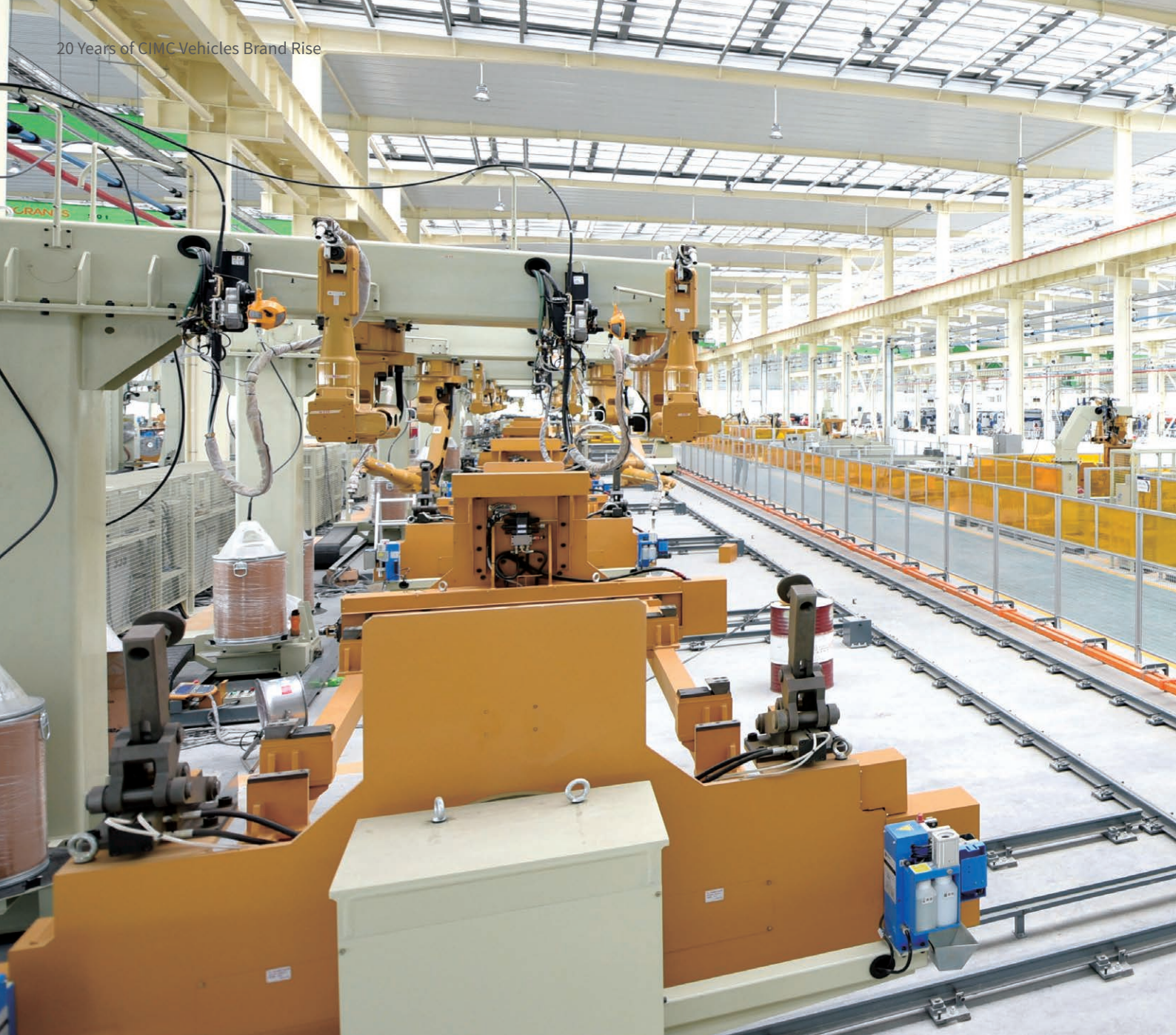
and pioneering exploration attempt. But the founding team of CIMC Vehicles did it. It was the team with intercontinental management ability and vision that contributed to the emergence of the Company which achieved dual "A+H" listing status with an annual revenue of around RMB30 billion.

Over the next few years, with the rapid development of China's economy, China's semi-trailer industry gradually became one of the three core markets in the world, along with North America and Europe. During the same period, CIMC Vehicles seized the opportunity of a rapid growth economy in China and gradually formed a competitive advantage in the Chinese market. At the same time, CIMC Vehicles has actively expanded in the overseas markets. It completed the acquisition of Vanguard, a famous semi-trailer brand in the North American market, and semi-trailer brands such as SDC and LAG, in Europe, and achieved rapid growth in overseas business.

At present, CIMC Vehicles has completed the mergers and acquisitions and multi-brand layout worldwide. It has achieved full coverage of semi-trailers, specialty vehicles, van trucks bodies and refrigerated trucks bodies. The businesses cover four major markets and more than 40 countries in the world, with 23 production plants and 10 assembly plants in the world. CIMC Vehicles has ranked first globally for semi-trailers for nine consecutive years.

The purpose of being enterprising is simply wanting to surpass. In 2021, according to the actual operational and strategic management needs, CIMC Vehicles established six major businesses or groups: "Champion Tanker Business Group", "Light Tower Pioneer Business", "TB Business Group", "Urban Dump Truck Business", "North American Business" and "European Business", with the aim of achieving the long-term goal of removal of barriers in operation, linkage between production and sales, information sharing





and professional support, and carrying out all-round management covering strategy, operation and coordinated development, and further increasing its shares in the market segments in China, and developing competitive advantages for seven overseas major categories of semi-trailers in the North American market and the European market, thus further enhancing the leading position in the world. In 2021, CIMC Vehicles ranked third in the refrigerated trailer market of North America; SDC, a subsidiary of CIMC Vehicles in Europe, ranked first in the market of the United Kingdom, with its market share increasing to approximately 27.5%. In the first quarter of 2022, the performance of the overseas market was still excellent. Among which, North American Business of the Group achieved brilliant growth with a significant year-on-year increase of 108.8% in revenue.

European Business of the Group achieved a steady increase in sales volume and revenue.

As times go by, only the leader can create a new chapter. While making continuous breakthroughs in business, CIMC Vehicles is constantly forging ahead in digital design and production, keeping pace with the times, and striving to build an advanced manufacturing system that is ahead of the industry in the future. That is how CIMC Vehicles began exploring the "Light Tower Project". At the initial stage of the project, it has explored the production mode of automation and digitalization. It has introduced advanced information control system theory from Siemens, Ingenico AG and other companies in Germany to further study and comprehend. This exploration is both visionary and pragmatic. Suggested by its name, "Light

Tower" Plants guide the way forward for CIMC Vehicles, takes the lead in opening the curtain of CIMC Vehicles' construction of the Sophisticated Manufacturing System. At present, "Light Tower" Plants represent the highest standard of intelligent manufacturing and digitalization in the global manufacturing industry. At the beginning of 2015, the first "Light Tower" Plant of CIMC Vehicles was established in Dongguan; in 2018, the digitized production lines of Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd.'s Super Magellan Plan was put into production in Yangzhou; in 2019, the Super Magellan Project of Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. Was accepted and concluded by the expert group, marking the success of the exploration and research of CIMC Vehicles' digital plants.



4 subsidiaries of the Company have won the title of National "Green Plant"

2 subsidiaries have won the title of Provincial "Green Plant"

As a new generation of production system, the "Light Tower" Plants have led to a comprehensive innovation in the production mode of CIMC Vehicles and even of the industry in the sense that it has developed from traditional labor-intensive production to more automated modular, intelligent and environmental - friendly production. As of now, CIMC Vehicles has globally established 13 "Light Tower" Plants to produce semi-trailers, 7 "Light Tower" Plants for the production of truck bodies of specialty vehicles, and 2 "Light Tower" Plants for the production of lightweight van truck bodies.

In addition, after years of unremitting efforts, CIMC Vehicles has set a new benchmark for green environmental protection in the industry. Four subsidiaries of the Company have won the title of National "Green Plant". Two subsidiaries have won the title

of Provincial "Green Plant". In addition, a subsidiary was honored as the National Green Supply Chain Demonstration Enterprise, and another one was honored as the Provincial Green Supply Chain Management Demonstration Enterprise.

In the current era, uncertainty is ubiquitous and normalized. The epidemic crisis has become an accelerator for enterprises to differentiate or enhance their competitiveness, but transformation remains the main theme of the times. In the future, CIMC Vehicles will continue to maintain vigorous creativity. With the help of breaking point, it will also release greater advantages and long-suppressed potentials, actively create space for profit growth and strategic maneuver, and abandon or adopt what we want freely to turn a passive situation into an active one.

STRATEGIC UPGRADING FROM “GLOBAL OPERATION, LOCAL KNOWLEDGE” TO “INTERCONTINENTAL OPERATION, LOCAL MANUFACTURING”

In face of the current global and competitive market economy, a correct business model is essential for the manufacturing industry. From investment in mainland China to the establishment of the global operation system, from industry newcomers to the global leader of the industry, CIMC Vehicles embarked its journey under highly forward-looking and flexible business philosophy, which is the greatest secret.

From 2002 to 2010, CIMC Vehicles established the semi-trailer business, rapidly acquired several star enterprises in China's semi-trailer industry, including Yangzhou Tonghua Company, Zhumadian Huajun Company, Shandong CIMC Vehicles (Ji'nan Kaogeer Company), Wuhu Ruijiang Company and Luoyang Lingyu Company. It has emerged as a new force in China's semi-trailer industry and gained a leading position.

From 2010 to 2016, CIMC Vehicles promoted the growth of semi-trailer business in the North American and European markets. It completed the acquisition of Vanguard, a well-known semi-trailer brand in the North American market, as well as SDC and LAG brands in Europe.

With the business philosophy of “Global Operation, Local Knowledge”, and cross-over designs, intercontinental manufacturing and global supply chain management, CIMC Vehicles has established a global production base and sales network in North America, Europe, Asia, Africa and Oceania, forming a global business pattern, and has made remarkable achievements in the industry worldwide.

Yet, in the ever-changing trend of the times, everything is changeable. Great enterprises must follow the pace of the times and adjust their strategies in time in order to achieve sustainable business.



In 2018, to effectively cope with the impact of global trade headwinds, CIMC Vehicles changed its business philosophy from "Global Operation, Local Knowledge" to "Intercontinental Operation, Local Manufacturing". In the new stage, CIMC Vehicles put more emphasis on "Local Manufacturing". In order to develop in the local markets for a long time, it has increased its investment in local manufacturing, improved the manufacturing capacity of overseas plants, and cultivated and incubated localized brands, so as to avoid the impact of global trade frictions on the company in a reasonable manner and enhance its development resilience under the new normal global economy.

The "Polar Bear Project" is a typical case. In August 2019, CIMC Vehicles launched the investment plan of the "Polar Bear Project" to further increase the market share in the North American refrigerated semi-trailer market in response to the impact of global geopolitics. Specifically, the project is to

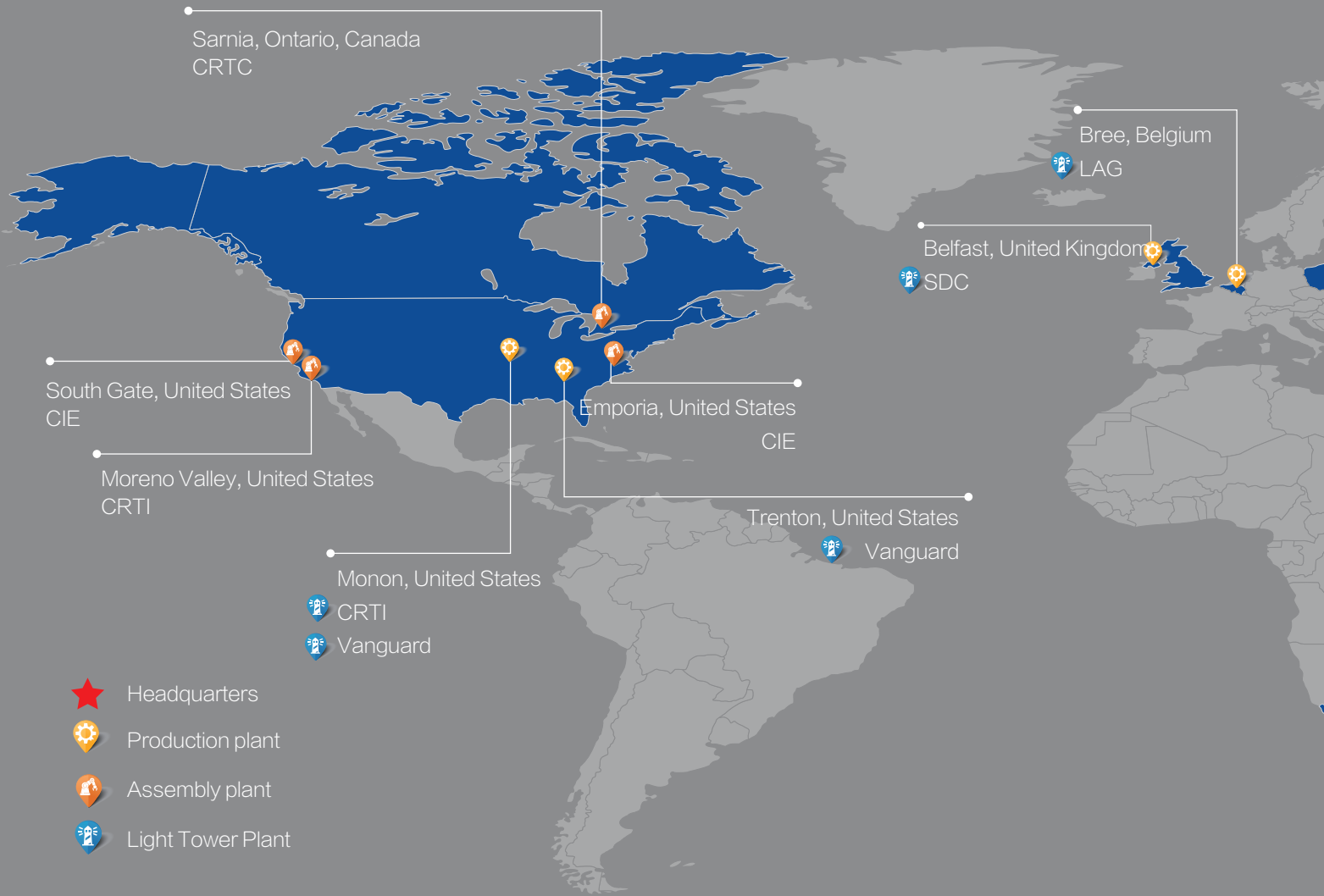
build a North American refrigerated semi-trailer manufacturing plant in Monon, Indiana, USA. In January 2021, the first new vehicle of the new plant of the Polar Bear Project was launched and was officially put into production. The new plant adopted the "Light Tower" Plant production mode, which greatly improved production efficiency and utilization rate of raw material, optimized quality of product and service, and further optimized the layout of Intercontinental Operation. In 2021, the revenue of CIMC Vehicles from refrigerated trailers in North America increased significantly by 122.3% to RMB1,516.2 million, ranking third in the refrigerated trailer market of North America.

At present, facing the new situation of globalization, CIMC Vehicles will deepen the business model of "Intercontinental Operation, Local Manufacturing" through the Sophisticated Manufacturing System, and maximize the production capacity, assembly capacity and global supply chain management capacity of 23 production

plants and 10 assembly plants in the world. CIMC Vehicles currently have formed a transcontinental operation structure with core competitiveness.

As the market space is broad and the prospect of industry development is good, it is time for the leading brand to grow stronger. Chinese brands should further integrate into the new development pattern of "The Domestic and International Dual Circulation". They should also take opening up the international market as a new opportunity for their own development and promote high-quality economic development by overseas layout. CIMC Vehicles will firmly adhere to its original intention, conduct business in the global market, seize opportunities from global businesses, open up a new cross-ocean business territory, lead the new development trend of the global commercial vehicle industry with world-class quality, lead Chinese enterprises to the world, highlight the strength of major Chinese brands so that the name of China shines in the world.

Intercontinental Operation Local Manufacturing





CIMC Vehicles' First Annual Report After A+H Listing Record Revenue of RMB27.65 Billion for the Year



During the Reporting Period, the Group achieved revenue of

RMB27,647.8 million

net profit of

RMB987.7 million

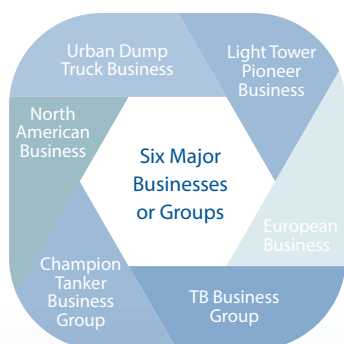
(25 March 2022) – CIMC Vehicles (Group) Co., Ltd. (“CIMC Vehicles” or the “Group”), the world’s leading high-end semi-trailers and specialty vehicles manufacturer, today announced its first annual results after its “A+H” listing. In the first year of the “14th Five-Year Plan”, CIMC Vehicles actively responded to the opportunities and challenges, and achieved a record high annual revenue by optimizing its strategic planning and business focus.

CIMC Vehicles had a solid operation in 2021. During the Reporting Period, the Group achieved revenue of RMB27,647.8 million, an increase of 4.3%; net profit of RMB987.7 million. Total assets and net assets reached RMB21.8 billion and RMB12.4 billion respectively, an increase of 9.9% and 18.5%. Earnings per share reached RMB0.48.

During the Reporting Period, the Group sold a total of 200,069 units of various types of vehicles worldwide, up 3.0% year-on-year. Solid growth in four major markets of the global semi-trailers business, of which the revenue increased to RMB15.3 billion, up 12.5% year-on-year. Overseas business rebounded rapidly, with revenues in the North American market and the European market grown by 14.9% and 27.6% respectively, highlighting the advantages of Intercontinental Operation and strengthening the Group’s global leading position. At the same time, the Group proposed dividends of RMB0.2 per ordinary share (tax inclusive) for 2021.

CREATE SPACE FOR STRATEGIC MOBILITY – SIX MAJOR BUSINESSES OR GROUPS TO GOVERN NEW INTERCONTINENTAL OPERATION TERRITORY

In 2021, with the new normal of the pandemic, the global economic growth gradually picked up, and the demand for global automobile manufacturing, logistics and transportation gradually recovered. To achieve further breakthroughs in market share, consolidate the leading global position and gain competitive advantages, CIMC Vehicles has established six major businesses or groups: "Champion Tanker Business Group", "Light Tower Pioneer Business", "TB Business Group", "Urban Dump Truck Business", "North American Business" and "European Business", aiming to remove barriers in operation and achieve the linkage between production and sales and the maximization of benefits.



five consecutive years, with a market share of 29.3% in China. During the Reporting Period, Champion Tanker Business Group maintained a stable performance with revenue of RMB10,889.4 million.



Champion Tanker Business Group revenue of **RMB10,889.4 million**

In 2021, the road freight volume in China increased by 14.2% year-on-year to 39.14 billion tons, and the revenue freight ton-kilometer increased by 14.8% year-on-year to 6.9 trillion ton-kilometers. Light Tower Pioneer Business is deeply engaged in semi-trailer products in the China market. During the Reporting Period, the revenue from the Light Tower Pioneer Business was RMB6,397.6 million with the sales volume of container chassis trailers increased significantly by 48.5% year on year. In addition, as the Chinese government encouraged the development of intensive and efficient transportation organization models including trailer sharing and rental, drop and pull transportation, "Vanguard Trailer Rental", a service platform of life cycle management of semi-trailer products, under Light Tower Pioneer Business, recorded a significant year-on-year revenue growth of 66.6%.



Light Tower Pioneer Business was **RMB6,397.6 million**

the sales volume of container chassis trailers increased significantly by

48.5%

recorded a significant year-on-year revenue growth of

66.6%

In 2021, the national fixed asset investment increased to RMB54.5 trillion, representing a year-on-year increase of 4.9%, with steady growth in infrastructure investments. Champion Tanker Business Group manufactures and sells two core products, namely tank trailers, and concrete mixer trucks bodies, has achieved a strategic breakthrough in the tank trailers business and has launched pure electric concrete mixer trucks and developed the electric fuel-saving system of concrete mixer truck bodies, thus reducing the comprehensive fuel consumption of concrete mixer trucks under China VI by 25%. The sales volume of concrete mixer trucks ranked first in China for

TB Business Group mainly consists of refrigerated van truck bodies and dry van truck bodies. With modular product design and the latest generation of dual-mode foaming technology with independent intellectual property rights, TB Business Group provides high-quality products and services for cold chain transportation in China. With the promotion of rural revitalization and improved urban logistics, distribution and transportation network, TB Business Group seized the opportunity of compliant urban distribution van transportation and launched compliant truck bodies for urban distribution of dry van truck bodies. During the Reporting Period, the revenue of TB Business Group of the Company reached RMB465.2 million.



TB Business Group

sales volume **10,366**

revenue **RMB465.2 million**

In terms of Urban Dump Truck Business, in 2021, the Company actively cooperated with tractor manufacturers in promoting the transitioning of specialty vehicles facelift business system to the green and sophisticated manufacturing. The Company actively enhanced product competitiveness, expanded its new energy pure electric dump truck business by successfully developing pure electric urban dump truck bodies, pure electric mining truck bodies, pure electric sand and gravel truck bodies, and pure electric coal truck bodies, etc., thus increasing the new energy product orders, effectively getting ahead in the market. The annual revenue of urban dump truck business amounted to RMB1,888.5 million.



Urban Dump Truck Business

sales volume **23,674**

revenue **RMB1,888.5 million**

Leveraging on the advantages of Intercontinental Operation, the Company actively implemented the strategic measures of North American Business, gave play to the advantages of global resource integration, controlled the global logistics and distribution costs through centralized purchase and digital management of the global supply chain, optimized the arrangements for local production and manufacturing, and actively captured the business growth opportunities. The revenue of the North America Business reached RMB4,840.7 million for the year. Among them, the revenue of refrigerated trailers in North America increased significantly by 122.3% to RMB1,516.2 million, ranked third in North America. The revenue of van trailers in North America increased by 11.0% to RMB1,952.8 million, being one of the top in the North America market.



North America Business reached

RMB4,840.7 million

The revenue of refrigerated trailers in North America increased significantly by 122.3% to RMB1,516.2 million

The revenue of van trailers in North America increased by 11.0% to RMB1,952.8 million



The European Business consists of LAG and SDC, which are wholly-owned subsidiaries of the Company in Europe. According to the data provided by the United Kingdom Society of Motor Manufacturers and Transport, SDC ranked first in the market of the United Kingdom, with its market share increased to approximately 27.5%, representing a year-on-year increase of 4.8 percentage points. Under the guidance of the intercontinental operation strategy, the Company leveraged its competitive advantages of intercontinental operation and further expanded its market share. The revenue of the European Business reached 2,372.3 million, achieved quality growth.



The revenue of the European Business reached

2,372.3 million



CREATE ROOM FOR PROFIT GROWTH UNDER THE “INTERCONTINENTAL OPERATION” STRATEGY TO HIT NEW HEIGHT

Under the current industry transformation, the Company implemented the core measure of the “Sophisticated Manufacturing System”, and further enriches the connotation of the Sophisticated Manufacturing System by adding the fifth cornerstone of “EPS” to the four cornerstones, namely upgrading “product modules”, improvement of “Light Tower” Plants, new retail construction and continuous promotion of organizational development. The Company embraces digital transformation and upgrades in all aspects, enhances innovative technological means, and keeps moving towards the crucial period of sophisticated manufacturing.

Moreover, the Six Businesses or Groups Established by the Company will continue to enable itself to operate in a variety of management scenarios from strategy and operations to synergistic development.

Champion Tanker Business Group will integrate existing tank business from core enterprises of CIMC Vehicles, including dry bulk tank trailers, liquid tanks and concrete mixers to form a synergy and make joint efforts. Champion Tanker Business Group will promote the “Champion Tanker Strategic Development Plan”, optimize the internal capacity of the business, promote organizational development and establish manufacturing enterprises for market segments, so as to redress the imbalance between supply and demand. Under the strategy, the total sales volume of Champion Tanker Business Group will increase against the market trend, and rise in both gross profit margin and net profit contribution.





Light Tower Pioneer Business will integrate the resources of various semi-trailer “Light Tower” Plants in China, build a closed-loop operation of LTS and LoM so as to consolidate the strong foundation of semi-trailer business in internal circulation. With the continuous implementation of the “carbon emission peak and carbon neutrality” policy of the Chinese government, the upgrading and iteration of semi-trailer products in China accelerate, Light Tower Pioneer Business will actively seize the opportunities from high-quality development of semi-trailers in China, further increases its share in the semi-trailers market and gross profit margin of semi-trailers in China and further consolidating the leading position of Light Tower Pioneer Business.

In 2022, TB Business Group will improve its refrigerated lightweight van bodies business by launching K2 product series with high cost performance to the market, so as to rapidly expand its share in the market of urban refrigerated distribution van trucks, especially in the two core areas of Yangtze River Delta region and the Greater Bay Area. TB Business Group is in a window period when the market demand is about to be

unleashed. The young senior management team and the front-line operation team will convert advanced high-end manufacturing equipment into efficient productivity to resist the low-price competition in the industry and seize the growth opportunity.

Urban Dump Truck Business will expand the breadth and depth of the joint development strategy with tractor manufacturers, including intelligent interconnection design, joint research and development and marketing of the vehicle models of the year, and product life cycle management, and actively explore and cooperate in new energy chassis and intelligent interconnection, so as to expand the leading edge of its products and business.

The production and manufacturing capacity of the main plants of the North American Business will be effectively improved after completion of transformation and upgrade. Impacts of adverse market factors will also be resisted. Meanwhile, with the opportunities from the market demand created by the implementation of the infrastructure plan of the United States and the recovery of the

global supply chain, North American Business will improve the order delivery capacity and continuously enhance the profitability in the North American market to achieve outstanding growth.

The European Business will adjust the production line in Northern Ireland, redesign the main models, transfer the production through LTS, and upgrade the two LoMs in England to improve the assembly efficiency. At the same time, the corporate governance structure of the European Business will be optimized to support the transformation and upgrading of SDC company, and further enhance the Company’s profitability through the core workflow of the intercontinental operation.

Looking ahead, with the breakthrough point of strategic development, CIMC Vehicles will unleash greater advantages and potential for performance growth, create room for profit growth and strategic mobility, provide good customer services, scale new heights under the “Intercontinental Operation” strategy, and actively deliver superior performance and return for shareholders.

CIMC Vehicles Took the Global Lead for 9 Consecutive Years, Hitting a New Record High in 2021

Creating Profitable Growth Space with the Momentum Like Tigers Coming down a Hill

Source: www.p5w.net March 26, 2022

In the evening of March 24, 2022, CIMC Vehicles, the global leader in sophisticated manufacturing of semi-trailers and specialty vehicles, delivered its first annual results after its dual listing in "A+H" share markets.

In face of complicated challenges such as aggravated global inflation, increasing prices of raw materials and commodities, congestion at ports worldwide, rising cost of shipping price, as well as weak domestic demand for heavy trucks, CIMC Vehicles' revenue hit a new record high of RMB27.65 billion in 2021, with total assets and net assets reached to RMB21.78 billion and RMB12.39 billion, up 9.9% and 18.5% on a year-on-year basis respectively. The earning per share is RMB0.48.

At the annual results conference held by CIMC Vehicles through the roadshow platform of P5W on March 25, 2022, Li Guiping, CEO and President of CIMC Vehicles, said, "In the new year, we are confident to improve our business in North America, and we can handle a series of challenges caused by the international operation. The business in North America will gradually return to the normal circumstance. Light Tower Pioneer Business has sufficient production capacity and has a stable performance of sales and marketing; "Light Tower" plants manufacturing network will fully support the intercontinental operation and cross border management flexibly and efficiently."

2021 OPERATING REVENUE HIT A NEW RECORD HIGH

CIMC Vehicles entered the semi-trailer industry in 2002, was listed on the main board of HKEX in July 2019 and listed

on the ChiNext board of SZEX in July 2021, becoming the first sophisticated manufacturing company of semi-trailers and specialty vehicles listed in "A+H" share markets.

In 2021, the global economic growth gradually picked up, and the global automobile manufacturing industry, logistics, and transportation demand gradually revived. However, due to the aggravation of global inflation, increasing prices of raw materials and commodities, congestion at the ports worldwide, rising costs of shipping price, and short-term market demand falling for heavy trucks after the implementation of China VI Emission Standard, CIMC Vehicles' core business suffered and under the pressure on both cost and revenue.

Facing with the complex macro environment, CIMC Vehicles achieved operating revenue of RMB27.65 billion in 2021, up 4.3% on a year-on-year basis, hitting a new record high, but its net profit fell to RMB990 million, mainly due to the increasing prices of raw materials, overbuying by the implementation of China VI Standard Emission, and the rising cost of the shipping price.

The company sold over 200,000 vehicles in various types worldwide, up 3.0% on a year-on-year basis; achieved steady growth of the semi-trailer business in the four major markets globally and increased its operating revenue to RMB15.28 billion, representing 12.5% increase compared to the year of 2020; the overseas business rebounded rapidly, operating revenue in North American market and European market increased by 14.9% and 27.6% respectively.

It is worth mentioning that CIMC Vehicles' operating revenue mainly comes from the production of semi-trailers in the global market, truck bodies for specialty vehicles, lightweight van truck bodies, and other vehicles.



Total assets

RMB21.78 billion

Net assets

RMB12.39 billion



The company sold over

200,000

vehicles in various types worldwide

achieved steady growth of the semi-trailer business in the four major markets globally

RMB15.28 billion

In 2021, CIMC Vehicles achieved steady growth in the semi-trailer business in the four major markets globally. The revenue from the global semi-trailer business increased to RMB15.276 billion, up 12.5% on a year-on-year basis, accounting for 55.25% of the operating revenue, increased by 4.0 percentage points.

The continuous aggravation of global inflation, the increasing prices in commodity and transportation costs, and the releasing demand of consumers brought great pressure to the global supply chain, resulting in the congestion at the ports worldwide as well as the continuous rising costs of the shipping price. In 2021, due to the rising costs, CIMC Vehicles' gross profit margin fell to 11.02%.

In terms of the truck bodies for specialty vehicles business in China, CIMC Vehicles achieved a revenue of RMB9.21 billion from the production of truck bodies for specialty vehicles and sales of finished special vehicles in China last year, accounting for 33.31% of the total operating revenue. In addition, CIMC Vehicles achieved a revenue of RMB311 million from the production and sales of lightweight van truck bodies in China.

BENEFITED FROM THE ADVANTAGE OF INTERCONTINENTAL OPERATION, OVERSEAS BUSINESS INCREASED BY 23%

In order to achieve a further breakthrough in market share of different business segments, and to enhance the global leading position, CIMC Vehicles mentioned in its annual report that it would establish six major businesses or groups to remove internal barriers in operation and form all-round management from strategy, operation to coordinated development.

CIMC Vehicles' six major businesses or groups include "Champion Tanker Business Group", "Light Tower Pioneer Business", "TB Business Group", "Urban Dump Truck Business", "North American Business" and "European Business".

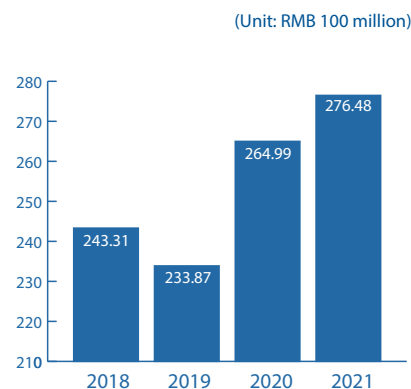
In terms of overseas market, CIMC Vehicles achieved annual revenue of RMB4.84 billion from North American business last year, among which, the revenue from refrigerated trailers in North America increased to RMB1.52 billion by 122.3%, ranking the third

place in refrigerated semi-trailer market in North America; the revenue from van semi-trailers in North America increased by RMB1.95 billion by 11.0%, ranking top in the van semi-trailer market in North America.

The European business consists of LAG and SDC, the Company's wholly owned subsidiary in Europe. According to the data from the Society of Motor Manufacturers and Transportation, SDC ranked first in the market of the United Kingdom, with its market share increasing to approximately 27.5%, representing a year-on-year increase of 4.8 percentage points. During the Reporting Period, CIMC Vehicles achieved high-quality growth with revenue of RMB2.37 billion from European Business, representing a high-quality growth.

Li Guiping, CEO and President of CIMC Vehicles, said that in the past two years, due to the flare-ups of the pandemic, the global semi-trailer market was affected by the sharp increase in shipping costs, the prices of raw materials entered a long-term inflation channel, there was a shortage in the global supply chain, and there were periodic

Revenue performance of CIMC Vehicles from 2018 to 2021



production stoppage and supply chain tension in overseas markets. The semi-trailer production enterprises in the world suffered from a huge impact on their production and operation, and some competitors in overseas markets withdrew due to various factors.

"However, the Company actively coped with the adverse impact and benefited from the advantage of intercontinental operation to improve the performance of overseas semi-trailer business and further expand market

share. CIMC Vehicles achieved revenue of RMB9.0 billion from overseas business, representing a 23% increase compared to 2020. The year-on-year decline in gross profit margin was mainly affected by the huge inflation squeeze of raw materials, but the range was completely controllable and reasonable." Li Guiping added.

Mr. Li Guiping said that benefiting from the advantage of intercontinental operation, CIMC Vehicles deepened the philosophy of "Intercontinental Operation, Local Manufacturing", provided convenience for customers by strengthening local manufacturing and local procurement, actively optimized global supply chain management and global logistics distribution system, and created long-term development opportunities for the company in the external circular economy.

MARCH TOWARDS DEEP WATER AREA OF SOPHISTICATED MANUFACTURING

Compared with North American and Europe markets, China's semi-trailer market is still in its early stage. Taking the year 2017 as an example, the sales volume of highly specialized semi-trailers such as van trailers and refrigerated semi-trailers in China accounted for only 4%, far lower than 77% in the United States.

In 2013, after the sales volume of CIMC Vehicles semi-trailers ranked first in the world, CIMC Vehicles began to think about how to achieve quality growth based on leading market share.

In 2014, CIMC Vehicles began to develop the "sophisticated manufacturing system", in which the "Light Tower" plants were a key initiative for efficiency improvements and digital transformation.

According to the research report issued by Citic Securities, the "Light Tower" plants can significantly improve the efficiency of production by reducing the cost of each vehicle by about RMB1,000, reducing the need for production staff by 29%, and increasing per capita output by 32%. It can be considered a paradigm for the transformation of specialty vehicle production from labor-intensive to technology-intensive.

Light Tower Pioneer Business is deeply involved in the Chinese market for semi-trailer products. As the Chinese government's "Carbon Peaking and Carbon Neutrality" policy continues to advance, China's semi-trailer industry is facing upgrading and iteration, which also brings new opportunities for the high-quality development of the Chinese semi-trailer enterprises.

"Depending on the advantages of sophisticated manufacturing system and green manufacturing of the "Light Tower" plants, we maintained the total annual production capacity utilization rate at a higher level, which consolidated the leading position in Chinese domestic market." Li Guiping added. Looking to the future, in the domestic cycle and the domestic circular economy, the development certainty of Chinese semi-trailer business is further enhanced.

In fact, in the past year, CIMC Vehicles accelerated the digital upgrading of the Light Tower Pioneer Business, optimized technology and product innovation, transformed the traditional manufacturing factory into the "Light Tower" plants, and deepened the niche market. During the reporting period, the operation revenue of Light Tower Pioneer Business reached RMB6.398 billion, and the sales volume of container chassis trailers in Light Tower Pioneer Business increased significantly by 48.5% year-on-year.

LOOKING FORWARD TO 2022, THE COLD CHAIN LOGISTICS IS EXPECTED TO USHER IN NEW DEVELOPMENT OPPORTUNITIES

In addition to semi-trailers, truck bodies for specialty vehicles and other businesses, CIMC Vehicles' lightweight van truck bodies business is also worth looking forward to.

Since 2020, the spread of pandemic has stimulated the global demand for the cold chain of medical and biological products. More people purchase fresh food through e-commerce, and fresh logistics enter a growth period, which will also boost the demand for refrigerated van truck bodies in China.

Estimated by Qianzhan Industry Research Institute, from 2019 to 2023, the compound growth rate of the market size of China's cold chain logistics industry will reach 22.3%.



Compared with other markets around the world, both the absolute and relative number of refrigerated van trucks in China are low: By the end of 2018, the United States and Japan had 580,000 and 250,000 refrigerated vehicles, respectively, and 1.76 and 1.95 refrigerated vehicles per 1,000 people, while China had only 180,000 refrigerated vehicles and 0.13 refrigerated vehicles per 1,000 people; at present, the proportion of chilled and fresh meat in meat transportation in China is only 20%, while Europe and the United States has reached 90%, and the per capita meat consumption in China is only 65% of that in developed countries. The proportion of domestic chilled and fresh meat transportation will rise significantly in the future.

In the annual results conference, Li Xiaofu noted, "Both the cold chain planning and transportation planning for the "14th Five-Year" period attach importance to the cold chain business development; under the impact of the COVID-19 epidemic, the cold chain has attracted extremely high attention in all aspects, so TB Business Group is the forward-looking layout of CIMC Vehicles, and we will continue to follow up with industry trends."

Li Xiaofu said that in 2022, TB Business Group will make a two-pronged effort in the refrigerated van business and introduce the cost-effective K2 product series to the market in order to rapidly expand its share in urban refrigerated distribution vehicles, especially in the two core regions of Yangtze River Delta and the Greater Bay Area. Both Zhenjiang and Jiangmen plants of the TB Business Group will launch K6 series and K9 series of dry van

trucks to the market, actively optimize the production line and capacity of Zhenjiang factory, complete the construction of Jiangmen factory, and put the products into the market.

Looking ahead to 2022, in the current reform on the industry, CIMC Vehicles will practice the core measure of "sophisticated manufacturing system", further enrich the connotation of sophisticated manufacturing system on the four cornerstones including upgrading of "product module", improvement of "Light Tower" plants, construction of new retail, and continuous promotion of organizational development, add the fifth cornerstone "building of digital supply chain center", develop further upgrading measures, and comprehensively implement the sophisticated manufacturing system strategy.

For the future, Li Guiping said: "In 2022, CIMC vehicles will unleash greater strengths and long-suppressed potential with the help of breaking points, creating room for profitable growth with courageous momentum, turning passivity into the initiative and creating more development opportunities."

“Material Changes”, Efforts of CIMC Vehicles to Find New “Orientations”

Source: Wallstreetcn.com, March 29, 2022

As the global leader in the semi-trailer industry, CIMC Vehicles maintains its advantages despite industry headwinds.

The annual report 2021 of CIMC Vehicles shows that its revenue hit a record high last year, with a year-on-year increase of 4.3% to RMB27.65 billion, and its net profit for the year was RMB0.99 billion.

It is known that there was a lot of pressure in the industry in 2021, due to the increase in the prices of raw materials and sea freight, and the transition from China V to China VI. Industry players also need to adopt a more flexible business model to meet the challenges in cost, supply and demand, etc.

In response to the industry changes, CIMC Vehicles further split its original three core business segments into six major businesses or groups last year. The management said that through the establishment of six major businesses or groups, including Champion Tanker Business Group, the internal coordination and integration of the Company will be further strengthened to reshape a light tower manufacturing network, instead of previous single plants, which will help further strengthen the businesses.

In response to the short-term industry dilemma, CIMC Vehicles adopted long-term development strategies and showed their resilience. In the “Material Changes”, CIMC Vehicles, which have always maintained a flexible response, will also take proactive actions. This will be the upper hand for CIMC Vehicles to deal with the material changes in the industry, and will also help further expand its leading position in the industry.

REVENUE HIT A RECORD HIGH DESPITE THE HEADWIND

On the whole, CIMC Vehicles kept endogenous growth last year, while expanding the growth boundary of external demand.

For a long time in the past, the business of CIMC Vehicles focused on three major areas: global semi-trailers, China’s truck bodies for specialty vehicles, and lightweight van truck bodies. These three markets are closely related to its annual report. The four major markets of the global semi-trailer business achieved steady growth, with the revenue increasing by 12.49% year on year, reflecting the unabated trend of global semi-trailer market centralization. This also benefits CIMC

Vehicles, as the industry leader. The data of Global Trailer for 2021 show that CIMC Vehicles has ranked first in the world for nine consecutive years in terms of production volume.

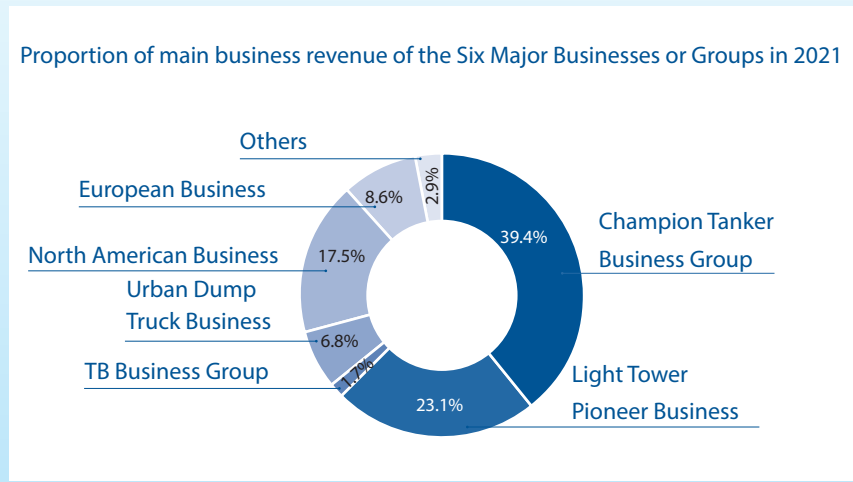
However, while maintaining the growth in the three traditional core areas, CIMC Vehicles also began to take proactive actions. “Identifying demand and making quick response” is the key of CIMC Vehicles to rapid development into the global semi-trailer industry leader in more than ten years. CIMC Vehicles also wants to apply this method to other business modules.

In 2021, CIMC Vehicles further split its original three core business segments into six major businesses or groups, namely “Champion Tanker Business Group”, “Light Tower Pioneer Business”, “TB Business Group”, “Urban Dump Truck Business”, “North American Business” and “European Business.”

Specifically, Champion Tanker Business Group mainly manufactures and sells two core products, namely tank trailers, and concrete mixer trucks, and recorded a revenue of RMB10.89 billion during the reporting period. The Company ranked first for the fifth year running in terms of sales volume of concrete mixer trucks in China, with a market share increasing to 29.3% in China.

Light Tower Pioneer Business is deeply engaged in the business of semi-trailer products in the market of China. For the previous year, the revenue of Light Tower Pioneer Business was RMB6.4 billion, and the sales volume of container chassis trailers of Light Tower Pioneer Business increased significantly by 48.5% year on year.

TB Business Group is mainly composed of refrigerated van body and dry truck body businesses and recorded a revenue of RMB0.47 billion in the previous year.



Urban Dump Truck Business also achieved an increase in the number of orders for new energy products by developing new energy pure electric dump truck business and other measures. Last year, the revenue of Urban Dump Truck Business of CIMC Vehicles was RMB1.89 billion.

While stabilizing the revenue from the market of China, CIMC Vehicles recorded double-digit growth of 14.91% and 27.63% in revenue year on year in the North American market and the European market respectively.

Its shares of many markets also gradually increased. For example, it ranked third in terms of North American refrigerated trailers in the North American market; with the market share increasing by 4.8 percentage points year-on-year to approximately 27.5%, SDC, a European subsidiary of CIMC Vehicles ranked first in the UK market.

The management of CIMC Vehicles said that the growth of the European market was mainly due to the continuous and moderate recovery of major markets in Europe, while the reshaping of e-commerce spending habits by the pandemic further unleashed the demand for semi-trailers in Europe.

The same is true of the North American market. The management pointed out that the approval for the large-scale infrastructure plan of the United States stimulated the economic growth of the United States, and consequently the semi-trailer and logistics transportation equipment market of the United States recovered rapidly.

CIMC Vehicles hoped to further seize the opportunities in these two markets and strengthen its advantages. The management said that the six new major businesses or groups changed the previous pattern of business segments, and CIMC Vehicles also hoped to remove barriers in operation and realize the linkage between production and marketing and maximize benefits.

EARLY IMPLEMENTATION FOR FUTURE DEVELOPMENT

Through the re-arrangement of its organizational structure, CIMC Vehicles is more flexible to cope with changes in the industry. In the next step, the development focus of CIMC Vehicles will be to strengthen their advantages while achieving quality growth.

According to the management, CIMC Vehicles Group has been committed to the construction of the sophisticated

manufacturing system, upgrading and building of new plants and production lines that conform to the sophisticated manufacturing system, so as to capture growth opportunities.

The goal of CIMC Vehicles is to complete the construction of the sophisticated manufacturing system covering eight major production lines of six major businesses or groups from 2021 to 2022. Certain production lines with the investment performed well in 2021. For example, with regard to the investment in and construction of the production line of the Yangzhou light tower project, the building of the plant and the upgrading of the production line were completed, and the market opportunities from e-commerce logistics vehicles were seized in 2021; in terms of the overseas market, North American Polar Bear automatic production plant for refrigerated trailers and Canadian Glacier refrigerated truck assembly plant were put into operation.

As the global economic growth gradually picks up, the global automobile manufacturing, logistics and transportation demand will gradually revive. The management pointed out that North American Business will seize the opportunity from the recovery of overseas market demand, improve the order delivery capacity and continuously enhance the profitability in the North American market; European Business will further optimize its corporate governance structure to support the transformation and upgrading of the SDC company, and further enhance the profitability through the core workflow of the intercontinental operation.

This will be the source of profit growth of CIMC Vehicles in the future. CIMC Vehicles prefers to respond to the material changes of the industry in the next 3-5 years with a flexible attitude and explore China's "intellectual manufacturing." The management pointed out that in the past six years, CIMC Vehicles invested in the construction and upgrading of more than 20 light tower production lines. However, the production lines have not been fully utilized or able to support intercontinental operation and trans-regional operations very flexibly and quickly.

As a result, CIMC Vehicles will actively make a plan for the upgraded version of the light tower manufacturing network. By maintaining the investment in the construction and upgrading of "Light Tower" Plants, CIMC Vehicles can promote the full automation, intelligentization and digitalization of production.

According to the management, by building the trans-regional operation network of 1#-5# semi-trailers in China, CIMC Vehicles can accelerate the launch of products, improve the utilization rate of LTP core production equipment, and effectively link its global semi-trailer businesses in the long run.

In addition, CIMC Vehicles will also promote the construction of the sophisticated manufacturing system of its headquarters and core subsidiaries, build new management infrastructure, and actively promote the expansion of the "Product + Service + Finance" business model. CIMC Vehicles will make efforts in terms of system construction, business model and organizational development.

The management pointed out that the impact of the transition from China V to China VI on the market in the second half of last year will be short-term and generally last for 6-9 months. After the short-term industry pressure is released, the situation will remain favorable for the industry in the long run.

CIMC Vehicles will give play to greater advantages and release the long pent-up potential with breakthrough points. Meanwhile, with the establishment of "Champion Tanker Business Group" and "Light Tower Pioneer Business", CIMC Vehicles is once again in a state of strategic integration in semi-trailers and tank trailers.

Subsequently, CIMC Vehicles will also actively pay attention to the opportunities of low-cost integration among peers, and to upstream parts and components enterprises, especially travelling mechanism and circuit parts manufacturing enterprises, downstream semi-trailer rental enterprises and after-sales service enterprises.

After the listing of A shares last year, CIMC Vehicles has A shares and H shares, which also provides a capital advantage for CIMC Vehicles to further strengthen its global strategic arrangement and market penetration.

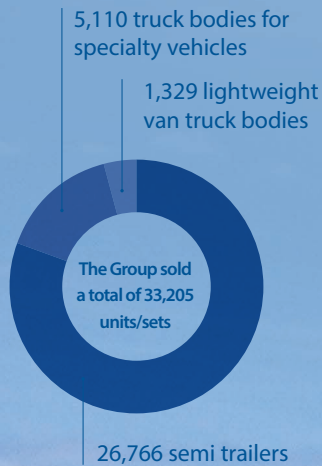
The management believes that the unreleased high-end production capacity of the Company, the strong market demand and shortage of supply, will contribute to a further increase in the revenue of CIMC Vehicles.

CIMC Vehicles turns passivity into initiative, through acceptance and rejection. CIMC Vehicles created room for its strategic adjustment in 2021. At present, CIMC Vehicles, which has prepared for a long time, is about to launch an initiative.

CIMC Vehicles Achieved Steady Results in the First Quarter of 2022 Against the Headwinds with Brilliant Performance in the Overseas Market



The revenue in the first quarter of 2022
RMB5,132.3 million



On the evening of 26 April, 2022, CIMC Vehicles released its 2022 First Quarterly Report. In the first quarter of 2022, CIMC Vehicles gave overall consideration to epidemic prevention and control as well as production and operation. Against the backdrop of the pandemic in various regions of China, CIMC Vehicles actively overcame the unfavorable factors of operation and grasped the growth opportunities of overseas market to achieve relatively sound development under the situation of domestic epidemic outbreak.

As indicated in its 2022 First Quarterly Report, during the first quarter of 2022, the revenue of the Group was RMB5,132.3 million, and the net profit attributable to shareholders of the Company was RMB124.5 million. The Group sold a total of 33,205 units/sets in the world, including 26,766 semi-trailers, 5,110 truck bodies for specialty vehicles and 1,329 lightweight van truck bodies.

OVERSEAS MARKETS CONTINUE TO GROW SIGNIFICANTLY AMID FLARE-UPS OF THE PANDEMIC

In 2021, according to the actual operational and strategic management needs, CIMC Vehicles has established six major businesses or groups: "Champion Tanker Business Group", "Light Tower Pioneer Business", "TB Business Group", "Urban Dump Truck Business", "North American Business" and "European Business", which helped remove internal barriers in operation and formed an all-round management from strategy, operation to coordinated development.

By the first quarter of 2022, the six major businesses or groups of CIMC Vehicles began to gradually realize high yields, and the performance of the overseas market was outstanding.



In terms of Champion Tanker Business Group, due to the implementation of China VI emission standards on July 1, 2021, and the cessation of granting licenses for China V-compliant commercial vehicles, the market demand for commercial vehicles in China was in a stagnant period and continuously declined until the beginning of 2022, resulting in the slowdown in the business performance of Champion Tanker Business Group. In March 2022, the performance of Champion Tanker Business Group gradually improved.

For Light Tower Pioneer Business, the market demand for semi-trailers in China was curbed by the delayed delivery of orders as a result of logistics and transportation snags in China arising out of the flare-ups of the pandemic. Light Tower Pioneer Business actively grasped the opportunity from product renewal and further increased the market share of semi-trailers in China. As the Chinese government encouraged intensive and efficient transportation organization models, including trailer sharing and rental, and drop and pull transportation, Light Tower Pioneer Business continuously developed the semi-trailer sharing and rental business, so as to respond to the Chinese government's call for the rural revitalization and the improvement in the urban logistics, distribution and transportation network.

With respect to TB Business Group, the Chinese government promoted rural revitalization and improved the urban logistics, distribution and transportation network. During the reporting period, the Group actively optimized the production capacity arrangements for refrigerated truck

bodies and dry van truck bodies to capture the opportunities from the development of cold chain logistics and urban distribution.

Regarding Urban Dump Truck Business, the demand for urban dump trucks in China declined in the first quarter of 2022, which affected the performance of the Urban Dump Truck Business of the Group. The new energy heavy truck business ushered in a new prospect of development. The Group deepened its strategy of joint development with tractor manufacturers and invested in the research and development for the promotion of new energy urban dump trucks to continuously improve the product competitiveness.

For the North American Business, the demand for semi-trailers in the North American market was released continuously, and North American Business of the Group achieved brilliant growth with a significant year-on-year increase of 108.8% in revenue.

As far as European Business is concerned, due to geopolitical conflict in Europe, there were risks and opportunities for European Business of the Group with a steady increase in sales volume and revenue.

CIMC VEHICLES SEIZES THE OPPORTUNITY TO SEEK GROWTH WITH THE SOPHISTICATED MANUFACTURING SYSTEM LEADING DEVELOPMENT

In the second quarter of 2022, despite the flare-ups of the pandemic, the Chinese government practically ensured the stability

and smoothness of the logistics supply chain and material transportation in China and promoted the stability of the industrial chain. CIMC Vehicles will seize the opportunity from logistics and transportation recovery in China, gradually release the pent-up order and production demand, actively expand its business, build and upgrade "Light Tower" Plants as planned, give full play to the role of the "Light Tower Manufacturing Network", improve production efficiency by using newly upgraded production lines and equipment, maximize product production costs, and continuously improve product profitability, so as to achieve a high-quality recovery of the overall operation.

Data show that CIMC Vehicles has invested in the construction and upgrading of more than 20 Light Tower production lines over the past six years. For the next step, CIMC Vehicles will actively prepare the upgraded version of "Light Tower" Plants: Light Tower Manufacturing Network. The Group will construct a trans-regional operation network of 1#-5# semi-trailers in China, expedite the product launch, improve the utilization rate of LTP core production equipment, effectively connect the global semi-trailer business in the long run, and provide guarantee for the development of CIMC Vehicles' businesses.

Looking ahead, CIMC Vehicles will solidify the construction of the "Sophisticated Manufacturing System" and the "New Management infrastructure", develop an innovative business model of "Products + Services + Finance", and actively integrate its business in the global market to better facilitate the influence of global geopolitics on the Group, so as to promote the steady development of the six major businesses or groups under intercontinental operation.



CIMC Vehicles' Market Share Further Increases with Rise in Long-term Value of Investment

Source: Gelonghui, April 27, 2022



As CIMC Vehicles is the global leader in sophisticated manufacturing of semi-trailers and specialty vehicles, its actions have attracted much attention. On the evening of 26 April, CIMC Vehicles released its results for the first quarter of 2022. It achieved revenue of RMB5,132.3 million and net profit attributable to the parent company of RMB124.5 million. It sold a total of 33,205 units of semi-trailers, truck bodies for specialty vehicles, and lightweight van truck bodies worldwide.

Faced with global geopolitical conflicts, rising inflation, soaring prices of raw materials and bulk commodities, and flare-ups of epidemics across the globe, CIMC Vehicles had a short-term fluctuation in the performance. Yet, by leveraging the advantages of “Light Tower” Plant-oriented Sophisticated Manufacturing System and Intercontinental Operation, CIMC Vehicles actively captured the development opportunities of cold chain and new energy, and constantly increased market segments share. Moreover, people could see how market leaders gained increasingly larger market shares and moved forward steadily through the cycle.

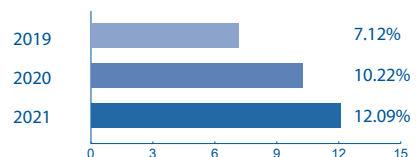
WITH HIGHLIGHTED ADVANTAGES OF INTERCONTINENTAL OPERATION, CIMC VEHICLES HAS STEADILY INCREASED ITS GLOBAL MARKET SHARE

In the past, the semi-trailer industry cluster was small in scale and had significant regional distribution. But now, with the obvious improvement of industry standards, the competition pattern has also developed from extreme decentralization towards centralization. Leading enterprises are becoming beneficiaries by virtue of their advantages in scale, technology and products. The development of CIMC Vehicles in the past few years has simply proved this statement.

Particularly, since last year, repeated domestic epidemics have led to the obstruction of logistics and transportation; global inflation and rising prices of raw materials have exerted pressure on the operation of manufacturing enterprises. Therefore, empowered by its “Sophisticated Manufacturing System”, CIMC Vehicles has taken the initiative to deepen

the business model of “Intercontinental Operation, Local Manufacturing” in line with current global conditions. It has also maximized the Company’s production capacity, assembly capacity, global supply chain management capabilities and global distribution logistics management capabilities in 23 production plants and 10 assembly plants in the world. At present, it has formed a cross-border operation paradigm with core competitiveness.

Meanwhile, CIMC Vehicles has actively upgraded its strategy and established six major businesses or groups to help remove internal barriers in operation and formed an all-round management from strategy, operation to coordinated development, thus enhancing the Company’s ability to resist risks and cycles.



Over the past year, the six major businesses or groups have achieved remarkable results; The global leading position of CIMC Vehicles has been further strengthened. According to the Global Trailer's top global OEM ranking list for semi-trailer manufacturers in terms of production volume announced in 2021, CIMC Vehicles has been the world's No. 1 semi-trailer manufacturer for nine consecutive years. In the domestic market, according to the statistics released by the China Association of Automobile Manufacturers, the semi-trailer products of CIMC Vehicles and its subsidiaries accounted for 7.12%, 10.22% and 12.09% of the market share, ranking first in industry from 2019 to 2021, and the market share was further increased. According to the China Association of Automobile Manufacturers, its sales of concrete mixer trucks ranked first in China for five consecutive years, with a market share of 29.3%. In the overseas market, the refrigerated semi-trailer in North America ranked third in the North American market; SDC ranked first in the UK market, with a market share of 27.5%.

In the first quarter of 2022, the income level was curbed by the delayed delivery of orders as a result of logistics and transportation snags in China arising out of the flare-ups of the pandemic. For example, the business performance of Champion Tanker Business Group slowed down due to the impact of the transition from China V to China VI emission standards; the order delivery of Light Tower Pioneer Business and TB Business Group was delayed due to the pandemic.

Yet, due to the favorable policies of drop and pull transportation, new energy, rural revitalization and cold chain logistics, the markets of semi-trailers, specialty vehicles and cold chain vehicles have ushered in new opportunities for development. CIMC Vehicles will also seize the opportunity of the recovery of domestic logistics transportation and favorable policies to actively expand its business and achieve high-quality growth.

In particular, the overseas business of CIMC Vehicles performed well in the first quarter. Benefited from the continuous unleash of demand for semi-trailers in the North American market, the North American Business achieved a significant YoY increase of 108.8% in revenue. The European Business saw both a challenge and an opportunity under the influence of global geopolitical conflicts, with a steady increase in sales volume and revenue.

Several research institutes were optimistic about the development of CIMC Vehicles. Recently, CITIC Securities issued a research report that CIMC Vehicles ranked first in the world for nine consecutive years in terms of production volume, securing a stable position in the industry. Moreover, as it has developed an optimized overseas market layout, which is expected to benefit from the recovery of the overseas economy and the corresponding stimulus plan. Thus, CIMC Vehicles' market share in Europe and the United States is expected to further increase. CICC also published a Company research report to suggest that since the global semi-

trailer and Truck bodies for specialty vehicles industry has a vast market, CIMC Vehicles, as a leading enterprise with certain advantages, has an enormous growth room for its comprehensive market share.

TARGETING AT THE COLD CHAIN AND NEW ENERGY INDUSTRIES WITH OBVIOUS REASONS FOR HIGH GROWTH

While expanding its market share, CIMC Vehicles has also allocated more resources to the establishment of long-term competitiveness. As far as its target at the cold chain and new energy industries is concerned, both of them are high-speed growth areas under the national key development. Hence, the reasons for the high growth of CIMC Vehicles has been still obvious.

Cold chain logistics has really gone viral as the industry's key policies continue to be implemented. "14th Five-Year Plan for Cold Chain Logistics Development" issued by the General Office of the State Council in December 2021 specifies that about 100 national backbone cold chain logistics bases will be constructed. The National Development and Reform Commission issued the "Implementation Plan for the Construction of the National Backbone Cold Chain Logistics Bases", which specified systematic arrangements for the layout and construction of the national backbone cold chain logistics bases during the "14th Five-Year Plan" period. In February 2022, All



China Federation of Supply and Marketing Cooperatives issued “the 14th Five-Year Plan Development Plan for the Cold Chain Logistics of Public Agricultural Products”, which specified the layout of cold chain logistics in the field of agricultural products; in April, the Ministry of Transport and other five departments jointly issued the “Implementation Opinions on Accelerating the High-quality Development of Cold Chain Logistics Transportation”, which proposed to cultivate key cold chain transportation enterprises and established a number of well-known cold chain transportation service brands. In addition, many regions in Zhejiang and Shandong have issued policies to vigorously develop cold chain logistics and proposed to actively cultivate leading enterprises in the industry.

With the introduction of a series of favorable policies, the cold chain logistics industry will usher in a golden period of development. According to the 14th Five-Year Plan for Cold Chain Logistics Development, the market size of China’s cold chain logistics market exceeded RMB380 billion in 2020; the total

market size of China’s cold chain logistics market is estimated to be about RMB915.4 billion by 2025, representing an increase of 140.89% over 2020.

To capture the industry opportunities, TB Business Group launched the “TB” brand to actively optimize the capacity layout of refrigerated van truck bodies and dry van truck bodies. On the one hand, it is mainly used for the cold chain logistics and transportation of “6+1” key categories (meat, fruit, vegetables, aquatic products, dairy products, frozen food and other major fresh food and pharmaceutical products such as vaccines); on the other hand, it launched dry van truck bodies mainly for urban logistics and distribution. Additionally, with respect to technology, CIMC Vehicles innovated the K2 dual-mode foaming technology of new-generation refrigerated vans with independent intellectual property rights. This is a major breakthrough in refrigeration foaming technology and production equipment. As such, TB Business Group will become a new business growth point of the Company in the future.



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In addition to cold chain logistics, the value of the new energy market should be highlighted. In 2022, the government work report put forward the idea of "continuing to support the consumption of new energy vehicles". Coupled with the support of policies such as the new blue-brand regulations, the market demand for new energy commercial vehicles is expected to continue to unleash. According to the data of the China Association of Automobile Manufacturers, the sales of new energy commercial vehicles in 2021 amounted to 186,000, a cumulative increase of 54% over the same period. Data from terminal license shows that, from January to March 2022, the total sales of new energy heavy trucks were 4,720, a year-on-year increase of 661%.

In the face of the booming demand in the new energy commercial vehicle market, CIMC Vehicles seized first-mover opportunities to develop and deepen the joint development strategy with tractor manufacturers and invested in the research and development and promotion of new energy urban dump truck products, thereby continuously enhancing the product competitiveness. At present, CIMC Vehicles has expanded its new energy battery-driven dump truck business by successfully developing battery-driven dump truck bodies, battery-driven mining truck bodies, battery-driven sand and gravel

truck bodies, and battery-driven coal truck bodies, etc. It is expected the new energy product orders will increase.

In the future, CIMC Vehicles will continue to deepen the Sophisticated Manufacturing System and management of "new infrastructure", and develop an innovative business model of "Product + Service + Finance", and actively expand its businesses. Moreover, the Company will build and upgrade the "Light Tower" Plants as planned, so as to give full play to the effectiveness of the "Light Tower Manufacturing Network" and continuously improve product profitability. In this way, CIMC Vehicles can achieve the high-quality development of the six major businesses or groups in the intercontinental operation territory. Probably because of the high predictability of CIMC Vehicles' performance growth and the constant investment logic that market leaders gain increasingly larger market shares, CIMC Vehicles can attract investors' attention in the current volatile capital market with the cost-effective advantage of low valuation.



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Data from terminal license shows that, from January to March 2022, the total sales of new energy heavy trucks were

4,720



CIMC Vehicles' Interim Report 2022: Revenue Amounted to RMB11.2 billion with Significant Increase in Overseas Markets of 59.2%



a revenue of approximately

RMB11.2 billion

the net profit attributable to shareholders of
the parent company of

RMB365.8 million

(25 August 2022) – **CIMC Vehicles (Group) Co., Ltd.** (“**CIMC Vehicles**” or the “**Group**”, Stock code: 301039.SZ/01839.HK), the world’s leading high-end semi-trailers and specialty vehicles manufacturer, today announced the interim results 2022.

According to the Group’s Interim Report, CIMC Vehicles recorded a revenue of approximately RMB11.2 billion and the net profit attributable to shareholders of the parent company of RMB365.8 million. Total assets and net assets attributable to shareholders of the listed company amounted to RMB22.4 billion and RMB11.7 billion, respectively, an increase of 2.7% and 0.2% compared to the end of 2021. The overseas market grew remarkably. The revenue from overseas markets registered a significant year-on-year increase of 59.2%. The revenue from the North American market and the European market increased 115.2% and 6.4%, respectively. Gross profit margin of global semi-trailers achieved a

year-on-year increase of 0.5 percentage points. Capitalizing on the advantage of intercontinental operation, the Group has further strengthened its leading position.

With regard to the six major businesses or groups, in the first half of 2022, Light Tower Pioneer Business maintained steady profitability; North American Business actively seized the growth opportunities from the intercontinental operation, with a significant increase in the revenue and profit; European Business made strategic breakthroughs, with quality growth; Champion Tanker Business Group maintained the leading market share of its main products despite the influence of many unfavorable factors; Urban Dump Truck Business continuously developed and launched new energy products; the sophisticated manufacturing production base of TB Business Group was basically completed, thus gradually releasing the production capacity.



OUTSTANDING PERFORMANCE RESILIENCE AND ENHANCED OPERATION QUALITY

In the first half of 2022, with the flare-ups of the global pandemic and the more complicated domestic and international economic situation, the coexistence of uncertainty and urgency became a new normal. Amid a generally weak commercial vehicle market in China, CIMC Vehicles actively implemented various strategic measures, integrated the advantageous resources, promoted the arrangements for six major businesses or groups, and adopted a series of measures to increase revenue and control costs. During the Reporting Period, the gross profit margin increased by 1.1 percentage points to 11.2%.

Moreover, the strong performance of the Company's overseas business made up for the stagnant growth of the specialty vehicles business in China to a certain extent. In the first half of 2022, the Company's operating cash flow improved significantly compared with the second half of 2021, fully demonstrating the Company's business resilience.

WITH PROVEN "INTERCONTINENTAL OPERATION" STRATEGY, THE GROUP'S OVERSEAS BUSINESS PERFORM REMARKABLY

In specific, due to policies and markets, China's logistics and transportation industries were integrated more rapidly, and China's semi-trailer industry was subject to upgrading and iteration, as well as further transition to scale manufacturing. Based on the "Light Tower Manufacturing Network" strategy of the Company, Light Tower Pioneer Business accelerated digital upgrading, and through production line optimization and regional planning, gave full play to the effectiveness of the "Light Tower" Plants, thus making a breakthrough in sales. In the first half of 2022, the revenue of Light Tower Pioneer Business of the Company reached approximately RMB2,327.1 million. The "Vanguard Trailer Rental" company of Light Tower Pioneer Business successfully completed the A round of financing.

Regarding North American Business, logistics, transportation and semi-trailer markets in North America emerged from the pandemic and began to fully recover, thus the North American semi-trailer market was in short supply. Capitalizing on the advantage of intercontinental operation, CIMC Vehicles actively implemented the strategic measures of North American Business, controlled the global logistics and distribution costs through centralized purchase and digital management of the global supply chain, and optimized the arrangements for local production and manufacturing, and overcame the impact of the "big traffic jam" in the global supply chain, and made profits hit a new record high. In the first half of 2022, the Company's North



American Business performed brilliantly, with an increase in the sales and prices of its three main products, which led to the revenue increasing by 151.6% to approximately RMB4,628.9 million and the gross profit margin increasing by 4.0 percentage points year-on-year, and significant improvement in the profitability.

It is worth noting the market demand for the refrigerated trailer market in North America, which is one of the three major products that continued to grow. CIMC Vehicles actively seized the opportunity from the growth of the market and released the refrigerated trailer production capacity in North America. Capitalizing on the established Sophisticated Manufacturing System Network, North American Business has formed a flexible, reliable, low-cost and close-distance product delivery network, and actively met the product delivery needs of North American customers. In the first half of 2022, the revenue of refrigerated trailers of the Company

in North America increased significantly by 189.4% year-on-year, and the gross profit margin increased by 3.0 percentage points year-on-year.

As for European Business, under the guidance of the intercontinental operation strategy, SDC actively improved the production line of the localized "Light Tower" Plant, completed the production line upgrade and construction of the UK South Hampton pioneer manufacturing plant and the UK Mansfield manufacturing plant, expanded the modular design and standardized production of products, basically completed the construction of a sophisticated manufacturing system, and greatly improved production efficiency and production capacity. In the first half of 2022, CIMC Vehicles' European business strategy paid off initially, with revenue increasing by 14.1% to RMB1,272.0 million, achieving quality growth.





For Champion Tanker Business Group, the end demand in the heavy truck market was continuously sluggish due to factors including the slowdown in infrastructure and real estate investment in China, emission standard transition, the early release of market demand, and the intensification of homogeneous competitions in the industry. Despite the market downturn, Champion Tanker Business Group turned challenges into opportunities, continuously improved the "Light Tower Manufacturing Network", brought into play the synergistic advantages of the three major production bases, and was continuously and deeply engaged in the market segments. With the extension of the industrial chain and the integration of upstream and downstream resource advantages, in the first half of 2022, the revenue of the Company's Champion Tanker Business Group reached approximately RMB2,142.2 million and the gross profit margin increased by 0.8 percentage points year-on-year.

With regard to Urban Dump Truck Business, CIMC Vehicles actively carried out product optimization and transformation, deepened the joint development with tractor manufacturers, and continuously made efforts in terms of new energy heavy trucks. In the first half of 2022, the revenue of the Company's Urban Dump Truck Business reached approximately RMB478.5 million.

As for TB Business Group, through the introduction of North American refrigerated truck body technology and European dry truck body technology, TB Business Group continuously carried out assimilation, innovated, improved and built a Light Tower production line for refrigerated truck bodies at



the revenue of the Company's Champion Tanker Business Group reached

RMB2,142.2 million

the revenue of the Company's Urban Dump Truck Business reached

RMB478.5 million

the revenue of the Company's TB Business Group reached

RMB130.5 million

an international advanced level and a highly automated Light Tower production line for dry truck bodies, thus promoting the construction of the "Light Tower Manufacturing Network" system. In the first half of 2022, the revenue of the Company's TB Business Group reached approximately RMB130.5 million.

PROMOTING RESEARCH AND DEVELOPMENT OF NEW ENERGY PRODUCTS TO SUPPORT THE "CARBON PEAKING AND CARBON NEUTRALITY" STRATEGY

With the promotion of the "carbon peaking and carbon neutrality" strategy and the national new energy policy, the penetration rate of new energy commercial vehicles continued to increase. CIMC Vehicles actively promoted the R&D and innovation of new energy products, promoted the high-quality development of



the road transportation equipment industry, and contributed to the achievement of the national "carbon peaking and carbon neutrality" strategic goal.

With regard to the innovation of new energy product, CIMC Vehicles actively developed lightweight new energy urban dump trucks, which are equipped with ultra-high strength wear-resistant steel to ensure the realization of lightweight technology, and match the new energy chassis, which has leading advantages in lightweight, durability, corrosion resistance and load capacity; Meanwhile, CIMC Vehicles launched pure electric ore trucks, products using advanced "ERS" technology, to achieve "rolling down the slope with heavy loading" energy recovery, energy saving rate of more than 85%, with wire-controlled chassis, to achieve long endurance; In terms of concrete mixer trucks, guided by market demand, CIMC Vehicles has developed various new energy pure electric concrete mixer truck products, including charging and power exchange, to provide rotating power for mixing tanks with small capacity batteries, save energy and reduce emissions, and reduce costs; In terms of urban distribution vehicles and refrigerated van vehicles, CIMC Vehicles has actively developed new energy refrigerated vehicles in conjunction with the tractor manufacturers to reduce the weight of truck bodies by more than 1,000 KG.

Meanwhile, the Company developed innovative business models in new energy and automatic driving scenarios and built lightweight and enduring semi-trailer solutions around the development trend of rapid development of new energy heavy trucks, regional automatic driving and special-line formation driving, so as to transform customer's purchase of products

from price to value orientation and establish close relationship with customers. As such, CIMC Vehicles forms an innovative exploration direction integrating technology, business and investment, and seizes the development opportunities in the new energy commercial vehicles market.

DEEPEN STRATEGIC ARRANGEMENTS FOR THE SIX MAJOR BUSINESSES OR GROUPS TO PROMOTE HIGH-QUALITY DEVELOPMENT

Looking forward to the second half of 2022, China's economy is in a "new normal". China's economy shifts from a high-speed growth stage to a high-quality development stage. The economic structure shifts from "focus on output and capacity enhancement" to "adjustment of the inventory and optimization of the increment", and the driving force of economic development changes from "relying on resources and low-cost labor" to "innovation-driven." The sustained implementation of growth stabilization policies, the accelerated implementation of infrastructure projects and the orderly recovery of supply chain and logistics transportation will support the steady recovery of China's economy; the profits of downstream enterprises in the manufacturing industry are expected to improve due to various positive factors.

In the face of new opportunities and challenges, the management of CIMC Vehicles will actively implement various strategic measures, integrate the superior resources of the Company, and actively make arrangements for local

manufacturing while persisting in optimizing the efficiency of intercontinental operation, and improve the product assembly, delivery, after-sales service and financial service capabilities in regions and countries where the markets are located, deepen and expand the influence of local brands, and determine to ensure the deep engagement of the Company in local markets for a long time. Meanwhile, the Company is expanding the profitability in the value chain and increasing the opportunities to make a profit in the whole life cycle, so as to ensure the steady development of its six major businesses or groups.

In the future, CIMC Vehicles will continuously build the Sophisticated Manufacturing System, actively deepen its strategic arrangements for the six major businesses or groups, and further increase its market segment share in China through production and marketing coordination, so that overseas semi-trailers will have competitive advantages in North American, European and emerging markets, and thus further enhancing its leading position in the world.

Moreover, CIMC Vehicles will consolidate its main business according to the core measures and resources of the six major businesses or groups, accelerate the reform that is conducive to improving the efficiency of resource allocation, actively implement standardization strategies and improve the "development achievement" evaluation system through high-quality products and services, strong innovation, high demand identification rate, brand influence, networked and intelligent production organization methods and a complete industrial system, so as to explore and identify a "high-quality development path."



Annual Events

1 CIMC VEHICLES' "VANGUARD TRAILER RENTAL" COMPLETES SERIES A-ROUND FINANCING OF OVER RMB100 MILLION

In March 2022, as a controlling subsidiary of CIMC Vehicles, China Jiangsu Vanguard Trailer Rental Co., Ltd. ("Vanguard Trailer Rental"), a semi-trailer time-sharing rental and full life cycle management service platform, has completed its Series A-round financing, attracting over RMB100 million. This round of financing will be utilized to finance the development of Vanguard Trailer Rental's existing businesses, replenish working capital, and expedite the promotion of its business model.

The strategic investors introduced in the Series A-round financing include Central SOEs Industry Investment Fund for Rural Area, Jiahui Chuangde and Jiahui Chuangyue, which are subsidiaries of Dowell Capital, and Shenzhen Toposend Capital, etc.

The successful completion of the Series A-round financing marks the high recognition of the capital market for the development potential of Vanguard Trailer Rental in the semi-trailer time-sharing rental and full life cycle management service industry. Looking ahead, with the support from shareholders, Vanguard Trailer Rental will continue to focus on user scenarios, create one-stop product life cycle solutions of differentiated "sophisticated manufacturing + value-added services + financial management", and build a new trailer leasing ecological service system of "not holding, enjoy owning" to promote the high-quality development of logistics and transportation industry.



2 CIMC VEHICLES PROVIDES VARIOUS HARD-CORE EQUIPMENT TO FACILITATE 2022 BEIJING WINTER OLYMPIC GAMES!

The 2022 Beijing Winter Olympic Games was successfully held in February 2022. During the event, leveraging on the leading advantages in various fields including truck bodies for specialty vehicles and cold chain logistics, CIMC Vehicles provided several hardcore equipment employed in 2022 Beijing Winter Olympic Games, such as chassis of snow wax truck and 66 sets of food delivery refrigerated truck. CIMC Vehicles facilitated the Winter Olympic Games by means of scientific and technological innovation, while promoting the high-quality development of road transport equipment industry, empowering China's sports industry and contributing to the implementation of the "Made in China 2025" strategy.



3 RJST TANK TRAILER BECOMES THE FOURTH SUBSIDIARY OF CIMC VEHICLES THAT GRANTED THE NATIONAL "GREEN FACTORY"

In December 2021, the Ministry of Industry and Information Technology announced the "Green Manufacturing List for 2021" on its website. Wuhu CIMC RJST Automobile Co., Ltd., a subsidiary of CIMC Vehicles, was listed among them and was awarded the national "green factory".

Up to now, there have been four state-level green factories under CIMC Vehicles: CIMC Shaanxi Heavy Truck (Xi'an) Special Vehicle Co., Ltd., Zhumadian CIMC Huajun Vehicles Co., Ltd., Dongguan CIMC Special Vehicle Company Limited and Wuhu CIMC-Ruijiang Automobile Company Limited; 2 provincial-level green factories: Gansu CIMC Huajun Vehicle Company Limited and Yangzhou CIMC Tonghua Special Vehicle Company Limited; one national green supply chain demonstration enterprise: Wuhu CIMC Ruijiang Automobile Co., Ltd.; one provincial green supply chain management demonstration enterprise: Zhumadian CIMC Huajun Vehicle Co., Ltd.

Looking ahead, CIMC Vehicles will continue to practice low-carbon and green manufacturing, comprehensively build the Sophisticated Manufacturing System, actively facilitate the green and low-carbon transformation of transportation and contribute to China's sustainable transportation development.



4 CIMC VEHICLES OFFICIALLY LAUNCHED ERP 1.0 PROJECT

On 27 September, 2021, ERP 1.0 project of CIMC Vehicles was launched, which will commence the digitization process in the five cornerstones mentioned in the Report 2022. The Company will further enhance the digital management of the budget and fund system.



5 CIMC VEHICLES AND SHANDONG AUTOMOBILE ESTABLISHED STRATEGIC COOPERATION

On 15 September 2021, CIMC Vehicles officially entered into a strategic cooperation agreement with Shandong Automobile in Laiyang, Shandong Province. Both parties will complement each other through cooperation and innovative development to jointly achieve breakthroughs in the market under the trend of van logistics and transportation.



6 CIMC VEHICLES HAS RANKED NO. 1 AMONG THE TOP GLOBAL SEMI-TRAILER MANUFACTURERS FOR NINE CONSECUTIVE YEARS

In September 2021, according to the Global Trailer's top global OEM ranking list for semi-trailer manufacturers in 2021, CIMC Vehicles has been the world's No. 1 semi-trailer manufacturer in terms of production volume for nine consecutive years.

RANK	OEM	COUNTRY	TOTAL PRODUCTION	2020 REVENUE	2020 RANK	CHANGE	MOVEMENT
1	CIMC Vehicle Group	China	163,066	169,760	1	7%	↔
2	Schmitz Cargobull	Germany	49,137	46,124	-	6%	↗
3	Great Dane	US	48,651	56,500	4	-6%	↘
4	Krone	Germany	41,600	37,119	6	17.10%	↗
5	Wabash National	US	36,600*	45,000	5	-19%	↔
6	Hymatix Trailered	US	34,200*	44,000	2	-2%	↘
7	Utility Trailer Manufacturing	US	33,800*	31,900	3	-34%	↘
8	Randon	Brazil	31,514	23,260	7	26%	↗
9	Wabam Group	Poland	29,200	12,492	8	13%	↘
10	TIRKANS Group	Turkey	15,340	10,110	11	14%	↗

7 THREE SUBSIDIARIES OF CIMC VEHICLES AWARDED NATIONAL "LITTLE GIANT" ENTERPRISES WITH THE FEATURES OF SPECIALIZATION, REFINEMENT, UNIQUENESS AND INNOVATION

In September 2021, the Ministry of Industry and Information Technology announced the third batch of "Little Giant" Enterprises with the Features of Specialization, Refinement, Uniqueness and Innovation. Two subsidiaries of CIMC Vehicles were selected, namely, CIMC Vehicle (Jiangmen) Co., Ltd. and Zhumadian CIMC Huajun Vehicle Co., Ltd. Before that, Gansu CIMC Huajun Vehicle Co., Ltd., another subsidiary of CIMC Vehicles, was selected within the second batch.



8 LIGHT TOWER PLANT OF RJST TANK TRAILER WAS CONSTRUCTED AND PUT INTO PRODUCTION

On 28 August 2021, a grand ceremony was held for the completion and commissioning of the Light Tower Plant of RJST Tank Trailer and the batch launch of new products for 2022. RJST Tank Trailer will continue to lead China's independent specialty vehicle brand to embark on a new international journey and build a world-class tanker champion with "user experience" as its focus and foothold.



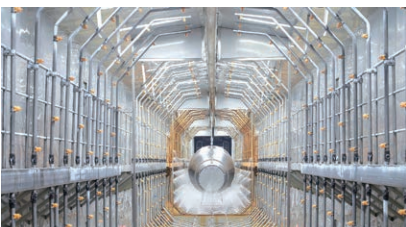
9 CIMC VEHICLES, OFFICIALLY LISTED ON THE CHINEXT BOARD OF SHENZHEN STOCK EXCHANGE, BECOME THE FIRST LISTED COMPANY ON THE CHINEXT BOARD OF CHINA WITH DUAL "A+H" LISTING STATUS.

On 8 July 2021, CIMC Vehicles was officially listed on the ChiNext Board of Shenzhen Stock Exchange and achieved dual "A+H" listing status. CIMC Vehicles became the first global manufacturer of high-end semi-trailers and specialty vehicles with dual "A+H" listing status. Additionally, CIMC Vehicles is the first listed company on the ChiNext Board of Shenzhen Stock Exchange with dual "A+H" listing status.



10 LINGYU AUTOMOBILE'S "TIANQI PROJECT" PHASE II WAS OFFICIALLY UNVEILED

In May 2021, Lingyu Automobile's "Tianqi Project" Phase II was officially put into operation. Upon the commencing of the production, "Tianqi Project" has greatly improved in environmental protection, efficiency and manufacturing speed. The automation transformation of "Tianqi Project" Phase II is a pioneering technology in the industry. It is a new benchmark set by Lingyu Automobile in developing from "Made in China" to "Intelligent Manufacturing in China".



11 SHAANXI CIMC OF CIMC VEHICLES COMMENCED BUSINESS OPERATIONS

On 28 May 2021, CIMC Vehicle (Shaanxi) Automobile Co., Ltd. held the opening ceremony of Shaanxi Auto CIMC Specialty Vehicles Cooperation Project in Baoji, Shaanxi Province. The establishment of the cooperation project marked the deep binding of the tractor manufacturers and the manufacturing enterprises of the truck bodies for specialty vehicles. Relying on the superior resources of both parties, the Company will cooperate with the partners in a new era of China's specialty vehicles development.



12 CIMC VEHICLES LAUNCHED DIGITAL SUPPLY CHAIN SYSTEM

In April 2021, CIMC Vehicles launched its digital supply chain EPS system. The digital supply chain is a new one added to the four cornerstones of the Sophisticated Manufacturing System, which was established in 2020. The new cornerstone further enriches the connotation of the Sophisticated Manufacturing System.



14 "CIMC LIGHT TOWER" BRAND WAS OFFICIALLY LAUNCHED

On 27 March 2021, CIMC Light Tower Brand Conference was held in Dongguan. Dongguan CIMC will construct a domestic high-end van semi-trailer manufacturing base. Using "CIMC Light Tower" as the brand, the base focuses on van products, and provides domestic customers with van series semi-trailers of "light weight, good appearance, good value, great longevity, simple maintenance".



15 CIMC VEHICLES' REFRIGERATED TRAILER ASSEMBLY PLANT IN CANADA WAS OFFICIALLY PUT INTO OPERATION

On 25 February 2021 (Canadian time), the first new vehicle of the Canadian Glacier project in new assembly plant of CIMC Canadian Refrigerated Trailer Co., Ltd., a subsidiary of CIMC Vehicles, rolled off the production line and was officially put into production, further optimizing the layout of Intercontinental Operation.



13 CIMC VEHICLES LAUNCHED "TB" BRAND

On 16 April 2021, CIMC Vehicles' TB Brand Conference was held in Zhenjiang, Jiangsu Province. The refrigerated truck bodies and dry van truck bodies under the "TB" brand released by Zhenjiang TB are mainly used for urban fresh food distribution and urban logistics distribution. This is also an important measure for CIMC Vehicles to seize the development opportunity of light van bodies and promote the transformation and upgrading of urban logistics distribution.



16 CIMC VEHICLES' NORTH AMERICAN CRTI POLAR BEAR REFRIGERATED SEMI-TRAILERS PRODUCTION PLANT WAS OFFICIALLY PUT INTO OPERATION

On 18 January 2021, the first new vehicle of the Polar Bear Project of CIMC American Refrigerated Semi-Trailer Co., Ltd., a subsidiary of CIMC Vehicles, was launched and put into production. The new plant adopts the "Light Tower" Plant production mode of CIMC Vehicles, which greatly improves production efficiency and utilization rate of raw material, improves product quality and service, and will bring better user experience to North American customers in the future.



2021 Vehicle Models

VEHICLE MODEL 1

K2 NEW-GENERATION DUAL-MODE FOAMING AND HIGH-PERFORMANCE REFRIGERATED VAN TRUCK

RECOMMENDED BRAND:

TB BUSINESS GROUP

HIGHLIGHTS:

CIMC Vehicles officially launched the TB brand on April 16, 2021. The products mainly include refrigerated van bodies and dry van bodies, which are used for urban fresh food distribution and urban logistics distribution. This is an important measure of CIMC Vehicles to capture opportunities from the development of lightweight van truck bodies in China and promote the transformation and upgrading of urban logistics distribution through its Sophisticated Manufacturing System.

The K2 new-generation dual-mode foaming and high-performance refrigerated van truck is newly created by TB Business Group, with the industry's most advanced open-close foaming board-making technology, and the high-precision temperature control system, thus improving the board-making foaming efficiency by more than 40% compared with the traditional injection foaming. In addition, environmental-friendly polyurethane foam materials are newly developed for the domestic market, thus improving the thermal insulation performance by 5%-10% compared with the traditional polyurethane board. With the food-grade thermoplastic board, metal pre-coated board, high-performance GRP skin and other configurations, we provide customers with comprehensive refrigerated van truck solutions and continuously lead the development of domestic high-performance refrigerated van trucks.



VEHICLE MODEL 2

2022 STAINLESS STEEL LIQUID TANK TRAILER

RECOMMENDED BRAND:

RJST TANKER

HIGHLIGHTS:

On August 28, 2021, the ceremony for the completion and commencement of operation of the "Light Tower" Plant of RJST Tanker and the massive roll-off of 2022 new products was held. In the new "Light Tower" Plants put into operation, RJST Tanker achieved the pioneering technology of "automatic tank alignment", and high-precision alignment helped effectively release the stress of tanks. RJST Tanker was also been rated as a national green plant as well as a national model enterprise for green supply chain.

The 2022 stainless steel liquid tank trailer features the fourth-generation and full-load European structure without auxiliary beam, as well as the European axle load distribution and central axis technology, lower center of gravity, more stable driving, and more even stress on the tank, thus reducing the vehicle weight by over 400kg and the fuel consumption by more than 13%. It is the lightest stainless steel liquid tank trailer with a volume of 47 m³ in the industry in China, winning the China record certificate of the "lightest stainless steel liquid tank trailer (with a volume of 47 m³)" officially issued by Shanghai China Records.



VEHICLE MODEL 3

PURE ELECTRIC MIXER TRUCK OF LINGYU VEHICLES

**RECOMMENDED BRAND:
LINGYU VEHICLES**

HIGHLIGHTS:

"Tianqi Project" is a special project of upgrading and green transformation of the production line of Lingyu Vehicles. As a key process of comprehensively building a manufacturing system, the project incorporates the thinking of Industry 4.0 adaptively. Through the deep integration of intelligent manufacturing and industrial internet, it intelligently upgrades and transforms the original manufacturing plants, and finally realizes "producing specialty vehicles by the way of producing commercial vehicles."

Lingyu Vehicles, together with Faw Jiefang comprehensively promoted the "oil-to-electricity" key project, and successfully developed a pure electric mixer truck, which features reasonable distribution of speed ratio differences, large battery capacity, long endurance mileage, high-power motor and sufficient power, safety, energy saving, economy and environmental protection, intelligent manufacturing, laser blanking, automatic welding, automatic powder spraying and intelligent assembly.



VEHICLE MODEL 4

REFRIGERATED TRAILER OF PIONEER SERIES OF TONGHUA

RECOMMENDED BRAND:

TONGHUA "PIONEER SERIES"

HIGHLIGHTS:

The digital semi-trailer "Light Tower" Plant of Yangzhou Tonghua is the core semi-trailer manufacturing plant of CIMC Vehicles in East China, mainly producing the second-generation semi-trailer products including van trailers and refrigerated trucks of "Pioneer Series" and the "Tonghua" brand.

The "Tonghua Pioneer" three-axle refrigerated trailer is of 13.6 m long, 2.6 m wide and 4 m high, with a total weight of 40 tons including a refrigerator weight of 8.3 tons, and a volume of 84 m³. KTL electrophoresis + powder spraying is adopted for the vehicle. The front of the vehicle body and the front cover of the refrigeration unit are of large radian and low wind drag. The vehicle body features the world-advanced American refrigerated truck body production technology, the advanced riveting technology, high-performance sealing materials, the integrated structure of the floor and the frame, the I-shaped air duct at the top of the body, the goods fixing devices and the multi-temperature compartments in the body, as well as the injection polyurethane foaming technology, the international leading driving, braking and landing gear system, and large capacity. It is widely used and especially suitable for transporting palletized frozen meat food, seafood food, and other kinds of refrigerated food.



VEHICLE MODEL 5

**VANGUARD LIGHT
REFRIGERATED TRAILER**

RECOMMENDED BRAND:

VANGUARD

HIGHLIGHTS:

In January 2021, the new plant for the refrigerated trailer Polar Bear project of CIMC Vehicles rolled off its first new vehicle and was officially put into operation. The new plant adopted the production mode of the "Light Tower" Plant of CIMC Vehicles, thus greatly improving the production efficiency and utilization rate of raw materials, product quality and services, further optimizing the intercontinental operation arrangement.

The North American light refrigerated trailer features a Monocoque structure, no longitudinal beam, the frame made of high-strength aluminum profile, the outer plate made of baked aluminum plate and the inner plate made of thermoplastic composite plate. After years of optimization and upgrading, the weight of the standard vehicle model is 12,450lbs. High-performance LBA foam material provides a foundation for good thermal insulation. The floor is reinforced at the rear end, and the inner corner seal is upgraded.

It has light dead weight, good insulation performance and long service life, with all of its key indicators at the top level in the industry, thus continuously winning the trust of customers and gaining significant traction in the market.



VEHICLE MODEL 6

NEW ENERGY LIGHTWEIGHT URBAN DUMP TRUCK (COMPLIANCE VERSION)

RECOMMENDED BRAND:

ZHUMADIAN HUAJUN

HIGHLIGHTS:

The New Energy Lightweight Urban Dump Truck (Compliance Version) uses TUX anti-cracking and wear-resistant steel for the truck body. The material of the chassis, sub-beam and related accessories are all upgraded to "S" high-strength steel with higher strength, more toughness and higher impact resistance. It has many advantages such as hydraulic system upgrade, top cover system upgrade, van body sealing system upgrade, and more intelligent safety system.

It is worth mentioning that Zhumadian Huajun's "Light Tower" Plant was built in 2017 and put into operation in April 2018. Under the Sophisticated Manufacturing System, Zhumadian Huajun's production efficiency increased by about 33% in 2020, the per capita output value increased by about 27%, and the daily working hours was shortened by 1.5 hours. Among the Green Compliance indicators, the VOC (volatile organic compound) emission is close to zero, the wastewater reaches the Level IV Surface Water Quality Standard (goldfish can be raised), 67% wastewater is reused, and the utilization rate of coating materials exceeds 97%. Zhumadian Huajun also won the title of "National Green Plant" and rated as a provincial model enterprise for green supply chain.



VEHICLE MODEL 7

CIMC JIANGMEN CONCRETE MIXER TRUCK

RECOMMENDED BRAND:

CIMC JIANGMEN

HIGHLIGHTS:

In 2013, CIMC Jiangmen and Baosteel Group jointly developed the Super Wear-resistant Steel. Through years of perseverance and efforts, CIMC Jiangmen reduced the thickness of the steel plate from past 6mm to 3mm, resulting in a lighter fully equipped vehicle, which is thinner but more wear-resistant and has longer useful life. Compared to the whole vehicle with a same specification, the weight can be reduced by 800 kilograms, and the carbon emission caused by steel production can be reduced by 1.6 tons, and the fuel consumption per 100 kilometers can be saved by about 5 liters. CIMC Jiangmen was also rated by the Ministry of Industry and Information Technology as "Little Giant" for professionalism, refinement, distinctive, and novelty.

The concrete mixer truck produced by CIMC Jiangmen has realized integrated design and service through cooperation with major domestic OEMs and adopts super wear-resistant steel BW300TP material, which has the characteristics of light weight, high strength and low fuel consumption. The interior adopts the double-helix logarithmic spiral blade design, which has fast unloading, lower residual rate and is safer. The whole vehicle is equipped with an intelligent transportation system for full-process monitoring.



VEHICLE MODEL 8

INTELLIGENT ENVIRONMENTAL-FRIENDLY URBAN DUMP TRUCK

RECOMMENDED BRAND:

CIMC-SHAC (XI'AN)

HIGHLIGHTS:

As an important layout of CIMC Vehicles in Western China, CIMC-SHAC (Xi'an), which has integrated the global R&D background and high-end manufacturing capabilities of CIMC Vehicles, as well as the brand advantages and pipeline system of Shaanxi Automobile and CNHTC, is a leading production base for special purpose vehicles in Northwest China.

The Intelligent Environmental-friendly Urban Dump Truck developed through cooperation with OEMs sells well in 21 provinces and cities in China and has become the main truck model of muck transportation in Shanghai, Shenzhen, Guangzhou, Hangzhou, Ningbo, Xi'an and other cities. Through intelligent analysis of the vehicle's lift, bumpy road conditions, turning road conditions, and media smashing, the whole vehicle is designed in a way that can give full play to product performance: the airtight tarpaulin system is adopted, and the rear door is fully sealed with sealing tape and hydraulically locked to form a double-sealed structure to prevent environmental pollution caused by "throwing, spilling, and leakage" during driving. The ultra-high-strength wear-resistant steel is used to ensure the realization of lightweight technology; The chassis can be matched with fuel, and new energy, making it lightweight, fuel-efficient, durable, corrosion-resistant, and far ahead in load-carrying capacity.





VEHICLE MODEL 9

**INTELLIGENT LOW-SADDLE
MAINBODY-TRAILER
INTEGRATED VAN TRAILER**

**RECOMMENDED BRAND:
CIMC LIGHT TOWER**

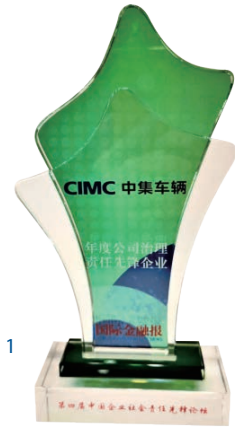
HIGHLIGHTS:

Dongguan CIMC, as the first "Light Tower" Plant under CIMC Vehicles, was rated as a National Green Plant in July 2019. Dongguan CIMC will build a high-end van trailer manufacturing base in China, which, under the brand of "CIMC Light Tower", will focus on van products, increase investment in modular design, and provide domestic customers with van trailers which "are lightweight and cost-effective, have a high appearance and a long useful life, and are easy for maintenance".

The height of the Intelligent Low-saddle Mainbody-trailer Integrated Van Trailer's van is increased from 2.76m to 3m, the volume is increased by 9%. The trailer, being the only one in the industry, adopts laser cutting with the processing accuracy controlled within 0.02mm, robot welding with full weld bead, and electrophoresis paint. The side skirts and chassis integrated with rectification aerodynamic kits, and ultra-low wind resistance is more fuel-efficient. The proactive safety – all-round "Star Guard" acts as travel escort, through efficient operation and intelligent measurement, enables real-time monitoring of vehicle dynamics, and helps fleets strive for better service and seeks greater economic benefits.



Annual Awards



International Financial News
CIMC Vehicles won the **"Pioneer Enterprise in Corporate Governance Responsibility in 2021"** Award



Zhitongcaijing
CIMC Vehicles won the **"6th Most Valuable Industrial Manufacturing Company"** and **"Best IR Team Award"**



Gelonghui
CIMC Vehicles won the **"Most Valuable Brand Award of the Year 2021"**



Roadshow China and Excellent IR
CIMC Vehicles won the **"Best Capital Market Communications Award in 2021"** and **"Best Shareholder Relations Award"**



National Business Daily

Li Guiping, CEO and President of CIMC Vehicles, was granted the
"Best CEO in 2021" Award

CIMC Vehicles won the **"Listed Company with the Greatest Growth Potential in the Sophisticated Manufacturing Industry"**



New Fortune

CIMC Vehicles' Chinext IPO Project was
 granted the 15th New Fortune | CIMC Vehicles
"Most Creative Project"



www.p5w.net

CIMC Vehicles won the **"Best Investor
 Relations Short Video Award in 2021"**



iFeng.com

CIMC Vehicles awarded **"The Most
 Valuable Brand for Investment in 2021"**

CIMC Vehicles Landed on CCTV's "Focus Report": Practicing General Secretary Xi's Economic Thought and Insisting on Intercontinental Operation and Local Manufacturing

Source: Focus Report July 26, 2022

Since the publication and release of "XI JINPING JINGJI SIXIANG GANGYAO" for more than a month, it has generated fever across the country. On July 26, CCTV "Focus Report" made a special report on "XI JINPING JINGJI SIXIANG GANGYAO". CIMC Vehicles, located in Shenzhen, landed on CCTV's "Focus Report" as a representative of the first batch of listed companies to apply for the registration-based IPO system on ChiNext.



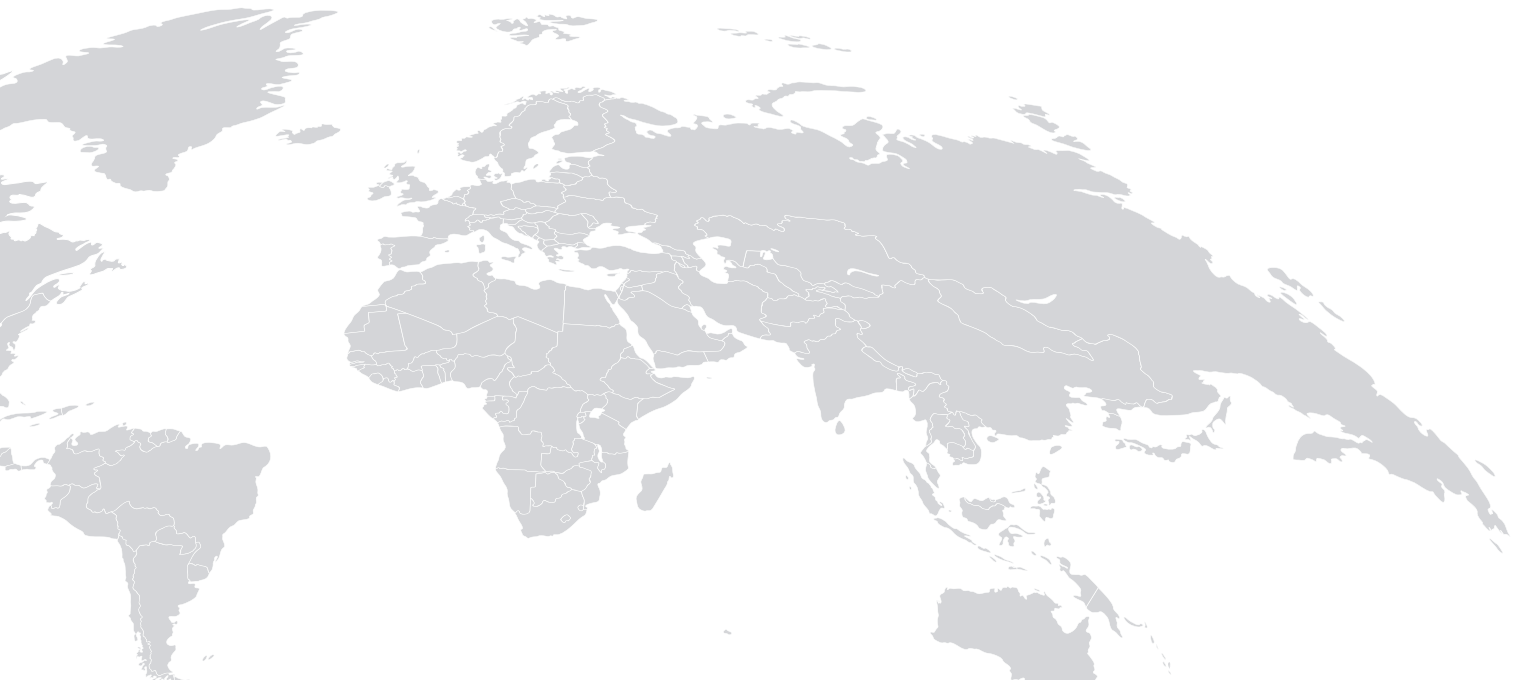
Since 2019, in the process of building a comprehensive reform pilot in the early demonstration zone of socialism with Chinese characteristics, Shenzhen has taken Xi Jinping's economic thought as the leader to promote the implementation of comprehensive reform pilot, one of which is the implementation of ChiNext reform and pilot the registration-based IPO system. CIMC Vehicles became the first batch of companies to apply for the ChiNext registration system, and it took only 15 months from the submission of application to the successful listing.

Li Guiping, CEO and President of CIMC Vehicles, said, "The ChiNext reform and pilot the registration-based IPO system has brought a significant strategic opportunity for CIMC Vehicles. In the past year, we have further improved our governance structure and rallied the hearts and minds of more than 13,000 employees worldwide".

The successful listing has laid a solid foundation for the Group to lay out a sophisticated manufacturing system globally. At present, the Group has built 22 "Light Tower" plants in China and overseas, which represent the benchmark of sophisticated manufacturing.

In 2021, CIMC Vehicles achieved an output value of RMB26.7 billion, further consolidating its position as the world No. 1 in the global semi-trailer industry, as well as the No. 1 in the domestic specialty vehicles industry.

Li Guiping pointed out that in the "XI JINPING JINGJI SIXIANG GANGYAO", the General Secretary put forward the concept of developing an open economy at a higher level. While insisting on optimizing the efficiency of intercontinental operation, we actively lay out local manufacturing and aspire to be permanently rooted in the local market.



Leading the Industry in the World for Consecutive Years, CIMC Vehicles Has Grown into an Invisible Champion – CEO Li Guiping Explains the Technological Upgrading Strategy

Source: New Fortune, August, 2021



(<https://www.cimcvehiclesgroup.com/portal/article/index/id/1076/cid/18.html>)

For CIMC Vehicles engaging in the semi-trailer and specialty vehicles market, inclusiveness and sophisticated manufacturing become the key to development.

Guided by Li Guiping, the CEO and president of CIMC Vehicles, the Company developed its business rapidly by firstly acquiring the leading enterprises in China, and then the enterprises in the European and American high-end markets for absorption, integration, transformation, and promotion. Eventually CIMC Vehicles has ranked the No.1 in the semi-trailer market in the world for consecutive years.

Upon the completion of business layout, CIMC Vehicles transformed the strategy from chasing market share to high-quality development. Since the construction of the "Light Tower" Plants, the Company has comprehensively upgraded the "Sophisticated Manufacturing System". Upon being listed in the H-share market in 2019, CIMC Vehicles prepared for listing in the ChiNext board. The objective was to maintain the competitive advantage as market demand expands and

concentration increases through the help of the capital market.

At present, due to the severe COVID-19 epidemic, high amounts of containers are stored in many foreign countries, leading to the collective price rise of containers and the shortage of containers in Asia. As the largest container manufacturer in the world, CIMC Group (000039.SZ/02039.HK) has attracted much attention.

CIMC Group has actually attracted much attention for more other reasons. As CIMC Vehicles (01839.HK), one of CIMC Group's subsidiaries, was about to be relisted in the A-share market, it also received the capital market's attention. In particular, since 2019, the first major source of revenue for CIMC Group has been shifted from the container business to the road transport vehicle business, to which the main contribution has been made by CIMC Vehicles.

Since 2013, CIMC Vehicles has ranked No.1 in terms of the sales volume of semi-trailers in the world. In 2020, when China's manufacturing industry was generally hit hard by the COVID-19 epidemic and trade conflicts, CIMC Vehicles has achieved an

increase against the headwinds, hitting a record high in revenue.

So far, CIMC Vehicles has received the official approval of registration for IPO in the ChiNext board, therefore it is expected to become the first semi-trailer manufacturer listed in "A+H" share market. As the CEO and President of CIMC Vehicles, Li Guiping is going to see another glorious moment of his career.

Born in 1965, Li Guiping joined CIMC Group in 1987, and has spent more than 30 years of his career engaging in different segments such as airport equipment, containers, and specialty vehicles. In 2002, CIMC Vehicles began to engage in the semi-trailer sector, after which Li Guiping joined CIMC Vehicles and served as the General Manager in March 2010 and became the Director, CEO, and President in January 2018. He considered his 18 years of experience in CIMC Vehicles as another entrepreneurship.

BECOMING THE INVISIBLE CHAMPION IN THE INDUSTRY AFTER A DECADE, AND RANKING NO.1 IN SALES VOLUME OF SEMI-TRAILER FOR CONSECUTIVE YEARS

As the predecessor of CIMC Vehicles, Shenzhen Tianda Heavy Industries Ltd. Co. was incorporated in June 1996 with a registered capital of USD1.00 million. As the largest shareholder, CIMC Hong Kong held 45.9% shares.

In 2002, CIMC Vehicles began developing the manufacturing business of semi-trailers and specialty vehicles. The Company has been listed on the mainboard of the Hong Kong Stock Exchanges since July 2019. At present, CIMC Vehicles is the only semi-trailer manufacturer in the world launching products in the three major markets, namely China, North America, and Europe. The Company owns several well-known semi-trailer brands such as Vanguard in the United States, SDC in the United Kingdom and LAG in Belgium.

According to CIMC Vehicles' prospectus, the automobile manufacturing industry is divided into passenger vehicle manufacturing and commercial vehicle manufacturing according to different purposes and models of vehicles. The commercial vehicle manufacturing can be further divided into specialty vehicles manufacturing, semi-trailer manufacturing and other segmentations.

Without a battery, the semi-trailer is drawn by the tractor of the primary trailer. It can be used to transport the engineering machinery, goods and containers, which are large in size and difficult to split.

Compared with the "single monolithic" vehicles, the semi-trailers used for long-distance transport can increase the transportation efficiency by 30-50%, lower the cost by 30-40%, and reduce the fuel consumption by 20-30%. Therefore, with the development of the logistics market, the semi-trailer has become the mainstream for long-distance road transport and it has developed rapidly. As a result, CIMC Vehicles has achieved world-class semi-trailer business.

Since initially engaging in the semi-trailer business in 2002, CIMC Vehicles has been making continuous investments in production expansion + acquisition, expanding production capacity rapidly, increasing product lines, and establishing integrated brands, so as to become the global champion of the semi-trailer business in a decade:

In May 2003, CIMC Vehicles made an investment of RMB33.60 million to acquire 42% and 6% of the shares of Jinan Kogel Special Automobile held by Shandong Lingong and US Pacific, so as to become the largest indirect shareholder of Kogel. In 2002, as a key enterprise in the industry, Kogel sold 1,576 specialty vehicles in various types.

Before June 2003, CIMC Vehicles acquired 51.5% of the shares in Yangzhou Tonghua and Yangzhou Xinghua Machinery and increased their capital by RMB43.59 million and RMB6.41 million, becoming the absolute controlling shareholder of Yangzhou Tonghua and Yangzhou Xinghua Machinery.

In April 2004, CIMC Vehicles increased the capital by RMB100 million and held the shares in Zhumadian Huajun Vehicle Co., Ltd. Huajun Vehicle ranked No.1 in production and sales volume of semi-trailers consecutively in 2002 and 2003 in China with market share in China at 10%.

By acquisition of Yangzhou Tonghua and Huajun Vehicle in succession, CIMC Vehicles became the largest manufacturer of specialty vehicles in China. In 2007, CIMC Vehicles also acquired Luoyang Lingyu, Wuhu Ruijiang,

CIMC Dongyue to further enrich the product categories such as tank trailer, cement mixer, urban dump truck, and other specialty vehicles.

As a result, CIMC Group's annual report showed that the revenue from "road transport vehicle" business increased significantly from RMB55 million to RMB9.25 billion in 2007.

In addition to the rapid expansion of China's business, CIMC Vehicles also paid attention to the overseas market.

In May 2003, CIMC Vehicles acquired American HPA Monon which was on the verge of bankruptcy at the consideration of USD4.50 million. HPA Monon was the fifth largest manufacturer of semi-trailers in the United States. CIMC reorganized it into Vanguard and built it into the leader of dry cargo van trucks in North America.

In 2015, CIMC Vehicles acquired Belgium LAG and established a production base in Poland, in order to penetrate into the European market.

In June 2016, CIMC Vehicles acquired and took the full ownership of British Retlan Group at the consideration of GBP91.70 million (more than RMB800 million). With two subsidiaries including SDC and MDF, Retlan Group manufactures various types of semi-trailers, achieving approximately 80% of the market share in the UK. By virtue of this acquisition, CIMC Vehicles has entered the semi-trailer market in the UK successfully.

CIMC Vehicles also established subsidiaries in South Africa, Vietnam, Malaysia and other emerging markets. In 2019, the funds raised from the listing of CIMC Vehicles in Hong Kong were also mainly invested in overseas markets. At present, CIMC Vehicles has 22 production plants in the world including 10 assembly plants overseas, forming a "Intercontinental Operation" pattern.

With a series of efforts, CIMC Vehicles has achieved an increase in market share gradually. Since 2013, CIMC Vehicles has maintained No.1 in the sales volume of semi-trailers in the world for consecutive years.

Data shows that from 2016 to 2020, the global sales volume of semi-trailers increased slightly from 1.138 million to 1.19 million, while the market share of CIMC Vehicles increased from 8.8% to 11%. The revenue increased from RMB14.6 billion to RMB26.25 billion, up 80%; the net profit increased from RMB730 million to RMB1.13 billion, up 55%.



INTERCONTINENTAL OPERATION, LOCAL MANUFACTURING

During the manufacturing of the semi-trailers, cost contains a higher proportion in the raw materials, especially steels. In 2020, the cost of the raw materials accounted for 87.9% of CIMC Vehicles' selling cost. Economies of scale is one of the core competitiveness in the industry.

By ranking No.1 in the global market share for many years, CIMC Vehicles has built the advantage in the global supply chain gradually. On the one hand, CIMC Vehicles has the capacity of establishing numerous after-sales service outlets to reduce cost and improve production efficiency and marginal profit by means of mass production and procurement; on the other hand, CIMC Vehicles is able to cooperate with advanced suppliers in the world to obtain key parts and raw materials and develop more advanced parts and components.

In order to minimize the procurement cost of the raw materials, CIMC Vehicles also makes full use of CIMC Group's collaborative bargaining power to negotiate with suppliers, so as to significantly improve the corporate profitability. An obvious example is how Vanguard turned around from loss to gain.

Vanguard is an important subsidiary of CIMC Vehicles in the USA, with the output of trailers growing from 2,910 units in 2004 to more than 8,000 units in 2006. Yet, Vanguard failed to get out of red. In 2008, when the U.S. financial crisis broke out, Vanguard was hit again and came to the crossroads of its development direction.

In 2009, Li Guiping was appointed to serve as the chairman of USA CIMC Vehicles and act as a "reinforcement member" at such a critical and difficult moment. He made diagnosis from the viewpoints of operation, supply chain, and management, and finally proposed the "Midway Islands Plan" to save Vanguard.

The most important part of the "Midway Islands Plan" was to reduce the procurement cost. Li Guiping invited the CEOs of the suppliers who had furnished core parts and components to Vanguard for a long term to negotiate with Vanguard's procurement team. Both parties conducted several rounds of negotiation based on the original price of USD2,500/set; in such negotiation, Li Guiping threw out his "trump card" strategically and proposed that CIMC's global supply chain procurement should be directed to these suppliers. Eventually, the counterparts agreed to cut their price by USD300 and surrendered part of the profit by 14%.

In the first year when the "Midway Islands Plan" was implemented, with the help of CIMC's global procurement system, the difference between the selling price and the procurement cost of Vanguard's product increased from USD3,000 to USD4,000 per

vehicle, i.e. the gross profit increased by USD1,000. Vanguard managed to turn around from loss into gain by the end of 2011.

To continue the triumphant performance, Li Guiping proposed the "Pacific Plan" to equip Vanguard with new technologies obtained from the European market, so as to improve its technology and service system and business philosophy comprehensively.

The sharing of technology and experience was not just applied to Vanguard. CIMC Vehicles has shared the intellectual property rights with their overseas subsidiaries. The sophisticated safety technology standards, design, and manufacturing experience from the European and American markets would also support the development in China. For example, the advanced design and manufacturing technology of the curtain-side trailers will create opportunities for CIMC Vehicles to compete in the domestic middle and high-end market.

Kogel, later known as CIMC Shandong, which was acquired by CIMC Vehicles many years ago, has a special process from Germany which is called wet plate making technology, by which it can manufacture very strong steel plates to bear heavyweight.

The refrigerated trailers of CIMC Shandong, a subsidiary of CIMC Vehicles, has ranked No.1 in China's market share of refrigerated trailers. CIMC Shandong's refrigerated trailers have been redesigned based on Kogel's technology to increase the pork rack from 3 rows to 4 rows, so as to increase the transportation capacity by 1/3. As a result, the product became popular in 2020 with tremendous orders. Li Guiping was very proud of that.

Li Guiping concluded that it is necessary to realize the globalization strategy, technology improvement and overseas market expansion. However, the real key was to integrate global operations with local characteristics in terms of management and operation. To this end, Li Guiping creatively put forward the "Intercontinental operation, Local manufacturing" business model.

The term of "Intercontinental Operation" means that CIMC Vehicles' domestic and foreign subsidiaries shall share design, technology, supply chain and customer resources, and reduce cost by means of centralized manufacturing and internal procurement of core components. The term of "Local Manufacturing" means the subsidiaries such as Vanguard, LAG and SDC shall make full use of local production capacity and business channels to carry out independent operations and complete manufacturing and sales locally.

The "Intercontinental Operation, Local Manufacturing" business model is also flexible and resilient in the face of extreme conditions.

Since January 2020, the COVID-19 epidemic has been spreading around the world. Coupled with the uncertainties in international relations and other adverse factors, the widespread impact was exerted on the domestic manufacturing industries. CIMC Vehicles, which operate in domestic and overseas markets simultaneously, is no exception.

In the face of the pandemic, CIMC Vehicles' management team actively organized the resumption of work, and the employees in China set up "Night Light Group" to cheer up. Subsequently, the employees in Europe and America also set up the "Night Light Group in Europe" and the "Night Light Group in America". As of the last March 2021, CIMC Vehicles achieved the work resumption rate of 80%. As the COVID-19 epidemic had little impact on the overseas market in the first half of the year, the production plan for the first half of the year was accomplished in four months.

Since the third quarter of 2021, the COVID-19 epidemic in Europe and America has been particularly severe. Nonetheless, thanks to the substantial growth in the Chinese market, and the experience in resumption of work in China, CIMC Vehicles' plants in North America and Europe resumed work earlier and returned to normal business sooner than peers. In the end, CIMC Vehicles achieved operating revenue of RMB26.25 billion in 2020, a year-on-year increase in 13% and hitting a historical high.

In 2020, CIMC Vehicles sold more than 131,000 semi-trailers in the world, increasing by 11.6% compared to the last year, and achieved the revenue of RMB13.58 billion and the gross margin of 12.9%, up 0.3%. Among them, CIMC Vehicles' revenue from semi-trailers in China was RMB6.45 billion at the growth rate of 46%, offsetting the effect of the significant decline in North America, Europe and other markets.

Benefiting from the implementation of the new national standard for trailers and the upgrading of product structure, CIMC Vehicles' gross margin of semi-trailer business in China reached 13.6%, up 1.9% on a year-on-year basis, while the sales volume of van trailers at a higher unit price increased by 155% year-on-year, at a growth rate much higher than that of the revenue in the whole sector.

At the same time, CIMC Vehicles sold 56,449 units/set of the truck bodies for specialty vehicles in 2020, increasing by 22% compared to 2019. The Company achieved the sales revenue of RMB10.16 billion, up 38% on a year-on-year basis, so that the truck bodies for specialty vehicles became the "RMB10 billion" business for the first time.

Based on the two business sectors (semi-trailers and truck bodies for specialty vehicles) with the revenue of more than RMB10.0 billion, the Company has secured the fundamental businesses, and guarantee the growth of the annual performance.

FROM "LIGHT TOWER" PLANTS TO "THE SOPHISTICATED MANUFACTURING SYSTEM", ACHIEVING HIGH-QUALITY GROWTH

In 2013, as CIMC Vehicles ranked No.1 in sales volume of semi-trailers in the world, Li Guiping started to think about how to achieve high quality growth based on the leading market share.

As a result, there have been three changes in CIMC Vehicles in recent years, including the efficiency enhancement taken as the core means of cost reduction; the digital transformation taken as the means of improvement in profitability transformation; and the marketing reform taken as the core means of increase in gross profit.

Among them, the "Light Tower" Plants was the key project of efficiency enhancement and digital transformation.

The "Light Tower" Plants have been used to solve the problems such as backward production equipment, lagged technology, increased labor cost, and energy conservation and emission reduction by means of modularized, digitalized, and intelligent construction of the factories. In 2015, CIMC Vehicles initiated the construction of the first industrial "Light Tower" Plants in Dongguan.

Li Guiping believed that "the first successful case can demonstrate the enlightenment significance and guide the future with the "Light Tower". Therefore, such an intelligent and digitalized plant is named "Light Tower" Plants.

From the perspective of production mode, due to the small production scale, the traditional semi-trailer manufacturers adopt the mode of establishing factories with full process production conditions in the demand place; CIMC Vehicles has adopted the mode of manufacturing by "Light Tower" Plants and assembly by the satellite factory. The production process of stamping, welding and painting shall be completed, and the modularized automobile components shall be made at the "Light Tower" Plants, and shall be assembled at the satellite factory in the demand place. In such mode, the satellite factory is responsible only for installation and assembly of the equipment, so as to save land, equipment and labor cost. The "Light Tower" Plants improve the production efficiency to a great extent by means of automation, showing a significant scale effect.

So far, CIMC Vehicles has built 22 "Light Tower" Plants around the world, manufacturing the products in 7 major categories. In the intercontinental operation mode, CIMC Vehicles' overseas subsidiaries may purchase core components from the "Light Tower" Plants in China so as to save costs. It is indicated in the research report issued by CITIC Securities

that compared with the traditional mode, CIMC Vehicles, based on the production mode of the "Light Tower" Plants, have lowered the unit cost for vehicle by approximately RMB1,000, reduced the demand for human resource by 29%, and increased the per capita output value by 32%.

The effect of "Light Tower" has played a prominent role. In March 2020, Li Guiping proposed to build the "Sophisticated Manufacturing System" and planned to achieve a significant increase in revenue and profit within three years, and fully implement the system throughout the Company within five years.

For this purpose, CIMC Vehicles established the four cornerstones including upgrade of product modules, improvement of "Light Tower" Plants, initiation of marketing reform, and promotion of organizational development and 21 specific channels, and increased the investment in research and development. By the end of 2020, CIMC Vehicles had more than 700 R&D personnel and more than 1,000 registered patents in the world.

Located in Zhumadian, Henan, CIMC Huajun is an example for CIMC Vehicles to upgrade the sophisticated manufacturing system. Built in 2017 and put into operation in April 2018, CIMC Huajun's "Light Tower" Plant is equipped with the light-tower-based production facilities such as laser cutting unit with automatic loading and unloading, the digital molding equipment, and the welding robot cluster with AGV/RGV.

All the skeletons on the side of the chassis trailers can be manufactured by a set of progressive press tools to increase the production efficiency tenfold; the positions of all the skeletons have been also calculated accurately by the system.

Based on the Sophisticated Manufacturing System, CIMC Huajun improved the production efficiency by approximately 33%, increased the per capita output value by approximately 27%, and reduced the daily working time by 1.5 hours in 2020. Among the green compliance indicators, the emission of VOC (volatile organic compounds) was close to zero, the wastewater met the standard of surface water at level 4 (Suitable to raise goldfish), 67% of the wastewater was recycled, and the utilization rate of coating materials was higher than 97%.

Meanwhile, CIMC Vehicles made greater efforts on marketing.

Due to the lower industrial concentration and the fierce market competition, the semi-trailers shall be promoted and sold by the dealers. The proportion of CIMC Vehicles' sales revenue has increased from 25% in 2018 to 34% in recent years. By the end of 2020, CIMC Vehicles had 477 dealers in China, and the branded

factories in China maintained brand reputation and developed customers independently. The sales volume achieved by the top 20 dealers in the domestic market accounted for 30.91% of its total sales revenue.

In contrast, the main customers in the truck bodies for specialty vehicles market are heavy truck manufacturers at B-end with large scale and high concentration. CIMC Vehicles has cooperated actively with the leading enterprises to bind tightly with the key customers. For example, CIMC Vehicles made joint investment with Shaanxi Heavy Duty Automobile to establish CIMC Shaanxi Automobile Special Vehicles to develop the in-depth support. Shaanxi Heavy Duty Automobile has held 25% of the shares. As one of the leading heavy duty truck companies in China, Shaanxi Heavy Duty Automobile has been the first major client of CIMC Vehicles for many years. In 2020, the sales volume contributed by Shaanxi Heavy Duty Automobile to CIMC Vehicles reached RMB1.425 billion, accounting for 5.43%.

In addition, CIMC Vehicles and SAIC Hongyan jointly launched a new brand-Hongyan Ruijiang. CIMC Lingyu and FAW Jiefang worked together to set up a joint development base in Luoyang.

The main customers of CIMC Vehicles overseas include large-sized logistics companies and semi-trailer leasing companies with higher customer concentration and lower dependence on dealer channels, including JB Hunt, Schneider, Milestone, TIP, DHL, and other first-class transportation enterprises and leasing companies in Europe and America. In the North American market, CIMC Vehicles sells the refrigerated trailers by direct marketing, and sells the container chassis trailers and the van trailers by direct marketing and dealers. By the end of 2020, there were 21 dealers in North America. With 4 dealers in European and other markets, the products are sold mainly by direct marketing.

In addition to the traditional marketing, CIMC Vehicles has begun to explore the new retail model in recent years, interacting with consumers by means of online live broadcasting and 24-hour online customer service. Semi-trailers and specialty vehicles have certain basic maintenance needs every year, so CIMC Vehicles has planned to launch new marketing and construction projects, in order to connect vehicle users and maintainers by the trailer butler accessory business and establish the flow entrance.

In Li Guiping's opinion, CIMC Vehicles should also expand the "product + service + finance" business model. In November 2017, CIMC Vehicles established Jiangsu Vanguard Trailer Rental Co., Ltd. in order to lease all kinds of semi-trailers and cargo truck bodies to e-commerce, trunk line and logistics transportation enterprises, and provide licensing, insurance, after-sales and other

services covering the whole industry chain. To extend from products to services and finance, CIMC Vehicles has still needed more practical verification.

Three Major Incremental Markets

In addition to endogenous growth, CIMC Vehicles also benefited from the growth of external demand.

CIMC Vehicles' three major businesses are closely related to the three main fields of national economic development. Among them, the semi-trailers are strongly correlated with the logistics market, the truck bodies for specialty vehicles are strongly correlated with the infrastructure market, and the refrigerated van truck bodies are strongly correlated with the cold chain market.

In the field of semi-trailers, China's logistics and transportation market has been growing steadily. Even in the face of the pandemic, the total amount of logistics in the society still reached RMB300.10 trillion in 2020, with a growth rate of 3.5% and a compound growth rate of 5.9% in the past three years.

The rapid development of the logistics market and the increasing requirements of end-consumers for product quality directly stimulate the demand of relevant logistics enterprises for the second-generation high-quality semi-trailers.

In the field of truck bodies for specialty vehicles, the specialty vehicles are used to transport the key engineering materials and are also widely used in infrastructure. There is a positive correlation between the increased demand for specialty vehicles and the increased investment in infrastructure. From 2015 to 2019, the amount of investment in infrastructure in China increased from RMB72.60 trillion to RMB128.10 trillion with a compound growth rate of 15.2%. In particular, the recovery from the pandemic abroad is still unpredictable, and it is necessary to boost domestic demand. Therefore, the "new infrastructure" becomes an important starting point for economic growth, and CIMC Vehicles is also expected to benefit therefrom.

At the same time, benefiting from environmental protection and overloading management, as well as the "Blue Sky Protection Campaign", Chinese environmental-friendly truck bodies for urban dump truck and lightweight durable cement mixer trucks entered the development window phase. CIMC Vehicles as a leading enterprise is expected to achieve an increase in revenue. According to the data released by China Association of Automobile Manufacturers, CIMC Vehicles ranked No.1 in the sales volume of the cement mixer in the Chinese market for 5 consecutive years.

The field of refrigerated van truck bodies is also worth looking forward to. Take pork transportation as an example. The outbreak of African swine fever in the second half of 2018 resulted in the significant increase in chilled fresh volume transported and the average distance per order in China. According to the research report issued by Dongxing Securities, the cold fresh meat volume transported in August 2019 was almost 10 times that of the same period in 2018, and the average transportation distance per order reached 1,447 kilometers in August 2019, up 50% on a year-on-year basis. Compared with the transportation of live pigs, the transportation of cold fresh meat can not only reduce the risk of cargo infection, but also reduces the possibility of contamination of the surrounding environment. The demand for refrigerated trailers and refrigerated van trucks has also risen sharply as the "transportation of pigs" is changed to "transportation of meat".

The increase in volume and price of pork transported is just an epitome of the development of refrigerated trucks. Since 2020, the spread of COVID-19 epidemic has stimulated the global demand for the cold chain of medical and biological products. More and more people purchase fresh food via e-commerce, and fresh logistics enters the growth period, also resulting in the demand for refrigerated trucks in China. In 2020, CIMC Vehicles sold 6,049 refrigerated trucks in China, up 36% on a year-on-year basis. In addition to the substantial increase of revenue, CIMC Vehicles achieved a gross margin of 23%, representing a year-on-year increase in 7.9%.

The data from the Cold Chain Logistics Committee of China Federation of Logistics & Purchasing showed that the number of refrigerated trucks in China was 214,700 in 2019, increasing by 130% compared with that in 2015. In 2018, the number of refrigerated trucks available to every 1000 people was 1.76 in the USA, and approximately 2 in Japan, but only approximately 0.15 in China. According to the research report issued by CITIC Securities, assuming that the per capita number of refrigerated truck available in China can reach 60% of that in the United States in the medium and long term, there was a sevenfold growth potential for the number of refrigerated trucks available in China; assuming that the replacement cycle of the refrigerated trucks is 8 years, which is the same as that of the heavy duty trucks at present, the long-term sales volume of refrigerated trucks was approximately 188,000, corresponding to a fourfold growth potential.

Li Guiping believed that in the foreseeable future, China will still act as the main engine of the global economy, and the growing domestic market is the fundamental business of CIMC Vehicles' performance.

Making a Spurt towards the ChiNext Board, Stepping up Efforts in Domestic Market

In addition to market changes, the industrial changes have also affected the development of CIMC Vehicles.

The semi-trailer and specialty vehicle market in China used to be dominated by small, scattered, and chaotic low-threshold competition. In the past three years, the concentration and threshold of this industry has been rising. Under the influence of multiple factors such as policy and market, several enterprises have been eliminated. Li Guiping estimated that eventually there will be only 20 to 30 major specialty vehicle enterprises in China, compared with the original 600 enterprises.

The intensified efforts in overloading management and the strict enforcement of law may accelerate the withdrawal of small manufacturers from the market and improve the market concentration. The domestic capital market will give CIMC Vehicles greater power in the competitive pattern of survival of the fittest.

After the spin-off listing in Hong Kong stock market one year ago, CIMC Vehicles officially started the process of relisting in the A-share market in May 2020, which was reviewed and approved by the ChiNext Listing Committee of the Shenzhen Stock Exchange on December 25, 2020. On May 19, 2021, the China Securities Regulatory Commission approved the IPO registration in the ChiNext Market of six enterprises including CIMC Vehicles.

The relisting of CIMC Vehicles in the A-share market was undoubtedly helpful to increase the estimated value of CIMC Vehicles. As of May 18, 2021, CIMC Vehicle's price-earnings ratio (TTM) was less than 8 times. The average price-earnings ratio of more than 400 listed companies in the "machinery and equipment stocks" at first-level industry of Shenwan Securities was 54 times with the median of 37 times. If you look at "transportation and logistics related stocks", the average price-earnings ratio is 26 times with the median of 22 times. For all the companies in the ChiNext board, the average price-earnings ratio was 57 times with a median of 42 times.

However, Li Guiping has made more plans and preparations.

In his opinion, the pandemic will reshuffle and redefine the global economy; the trade war will break out from time to time. The safety, sustainability, and development of operating assets around the world will change. In this context, relying on internal circulation, it is possible to get high quality growth opportunities and reduce business uncertainty. Taking advantage of external circulation, there are challenging growth opportunities despite the increasing uncertainty of business. Therefore, the funds raised from listing of CIMC Vehicles in the Hong Kong stock market have been mainly used for international market expansion, and funds raised from listing in the ChiNext board have been mainly used for China's market.



CIMC Vehicles intends to raise more than RMB2.60 billion in total for the invested project, which will be mainly used to build the "sophisticated manufacturing system", including digital transformation and R&D project, upgrading and construction of new "Light Tower" Plants, new marketing construction projects, repayment of bank loans, and replenishment of working capital.

In recent years, CIMC Vehicles has maintained the steady growth of revenue despite the fluctuation in gross profit margin, net profit margin, and return on equity to some extent. However, Li Guiping has been confident that in three years, the overall gross margin will increase to about 20%. The leading position of the three core businesses will be turned into stronger profitability.

In his view, CIMC Vehicles shall be based on the long cycle, and continue to enhance the niche and improve the gross margin in reliance on its own sophisticated manufacturing system and "new infrastructure of management".

TECHNOLOGICAL UPGRADING IN TIME FOR STARTING A BUSINESS

Li Guiping took up the position of the General Manager of CIMC Vehicles in 2010 and led the Company to grow up gradually. In his view, it is necessary to find the subdivision business direction and core weakness in the overall field.

For example, for the commercial vehicles, the main consideration is given to battery. For the new energy vehicles which become popular nowadays, battery is the main problem to be

solved. For the specialty vehicles, the cargo space and specific solution become the focus. There are huge differences in industry chain and manufacturing process between the liquid filling tank trucks and the cement mixer trucks, both of which are classified as specialty vehicles, so the core problems therein shall be solved.

In addition, to start up the business, the "systematic" thinking shall be established first, followed by team spirit. In his opinion, Shen Nanpeng, an alumnus of Shanghai Jiao Tong University, is a person with the "systematic" thinking. When he founded Ctrip (TCOM.O/09961.HK), he worked with Fan Min, Ji Qi, and Liang Jianzhang, who are good at tourism, IT, management, and capital operation respectively, and thus achieved a good story of Ctrip's "four gentlemen". "One who does not plan for the whole situation is not enough to plan for the whole region; One who does not plan for eternity is not enough to plan for a time".

Moreover, when an enterprise reaches a certain scale, the person in charge must "plan for technological upgrading". Musk, the founder of Tesla (TSLA.O), is called an "alien" because he tends to think in a raised dimension or technological upgrading and employs a descended dimension to defeat rivals.

"Without thinking in a raised dimension, how can we strike in a descended dimension?" Under the leadership of Li Guiping, CIMC Vehicles strongly promoted the "Light Tower" Plants and built the sophisticated manufacturing system, which is also a kind of thinking in a raised dimension.

In addition to his role as the CEO of CIMC Vehicles, Li Guiping is also the first rotating chairman of the Shenzhen Alumni Association of Antai School of Economics and Management at Shanghai Jiao Tong University, and a part-time or visiting professor at Jiangsu University and Shenzhen University. Li Guiping became a freshman majoring in industrial management engineering at the School of Management of Shanghai Jiao Tong University in 1982. At the age of 17, he was one of the first undergraduates of the School, making him an eternal "senior".

For young students, Li Guiping recommended them to read "Excerpts of Zeng Guofan's Comments". In his view, a person should be "smart", i.e. wise and shrewd. "Smart" means a judgement of the overall situation, and "shrewd" means precise understanding of the situation. One should have a big picture but start working on small daily tasks. Zeng Guofan also said, "A master of chess will save himself and defeat the enemy at the same time, so that he often turns defeat into success. So are those good at military forces." Even in a difficult situation, Li Guiping also hoped to "turn into promotion of the situation from local success".

It is Li Guiping's aspiration to draw a perfect end to his career by leading the Company to upgrade and providing a benchmark for Chinese manufacturing enterprises aiming to expand in the global market.

Li Xiaofu of CIMC Vehicles: Development and Reform of Enterprises Must Adapt to a New Globalization Pattern

Source: iFeng.com, December, 2021



Editor's Note

As proposed by the National 14th Five-Year Plan and the Outline of Visions for 2035, China should encourage the manufacturing industry to "diversify product categories, boost products qualities, and build up new products brands", launch the Chinese brands program, enhance the influence and competitiveness of China's own brands, and foster a number of high-end brands. In Guangdong-Hong Kong-Macao Greater Bay Area, one of the most open and economically dynamic regions in China, numerous excellent innovative brands have emerged. The Greater Bay Area has gradually developed from the stage of catching up with the world's industrial and consumption trends to leading a new round of trends with respect to technological innovation, application innovation, service innovation, and consumer experience innovation.

In order for brands and innovation integrate into the development of the Greater Bay Area, iFeng.com Guangdong, Guangdong Academy of Greater Bay Area Studies, and Shenzhen Famous Brand Evaluation Committee jointly launched the "The Power of the Brands in the Greater Bay Area" Project,

which has conducted interview with 100 well-known brand enterprises in the Greater Bay Area from the angles of brand story, overseas development of the brands, and brand transformation. Its purpose is to tell the stories of the brands in the Greater Bay Area, interpret the entrepreneurial spirit in the Greater Bay Area, build the group images of Chinese high-quality brands, and enhance the international influence of the brands in the Greater Bay Area. Recently, ifeng.com Guangdong has had an interview with Dr. Li Xiaofu, the Vice President and Chief Technology Officer of CIMC Vehicles and CEO of the TB Business Strategy Division.

As time goes by, the world around us is changing drastically. With more than 40 years of reforms and opening-up, Shenzhen has demonstrated its innovation to the world. It is both a heaven for dreamers and a forefront for Chinese enterprises to communicate with the global market.

Found in the hot spot, CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles") has become the global invisible champion in semi-trailers for nine consecutive years and one of the most prominent benchmarking enterprises

in China. On July 8, 2021, CIMC Vehicles was officially listed on the ChiNext board, implying that CIMC Vehicles become the first high-end semi-trailers and specialty vehicles manufacturer with dual "A+H" listing status.

At present, as the globalization trend is volatile, and the logistics industry is performing upgrades and iteration, it keeps posing new challenges to the enterprises. With nearly 20 years of experience in the development, CIMC Vehicles demonstrates that it can provide the clients with good solutions continuously only by adapting to the new globalization pattern, conforming to the development trend of the industry, making layout in a looking forward manner, and improving the overall strength of the enterprises.

HOW CIMC VEHICLES, "GLOBAL INVISIBLE CHAMPION", HAVE SUCCEEDED

In the shooting hall of "Chief Interview" on the 20th floor of Qianhai Yidu Building, it was warm and bright as the sunlight passed through the floor-to-ceiling windows. Dr. Li Xiaofu, Vice President and Chief Technology Officer of CIMC

Vehicles and CEO of Terabyte Truck Bodies Business Strategy Division, has given a media interview to iFeng.com Guangdong to talk about the development and achievement of CIMC Vehicles in the past 20 years.

The key to the “Global Invisible Champion” lies in favorable atmosphere, geographic advantages, and the unity of the people.

In Li Xiaofu’s views, as CIMC Vehicles was founded in Shenzhen, the Company has inherited the entrepreneurial and innovative spirit of the city, which is a culture and the power of humanity. More importantly, the development of CIMC Vehicles in the past nearly 20 years has been largely attributable to the fully globalized operation upon China’s accession to the WTO.

With respect to the enterprises’ strategic development, CIMC Vehicles always has a clear strategic positioning, persevere and work unremittingly. From 2002 to 2010, CIMC Vehicles has built up their strengths, and achieved rapid development of the business in the domestic and overseas markets by several mergers and acquisitions. Since 2014, CIMC Vehicles has begun to establish “Light Tower” Plants in order to develop towards a high quality development.

“Light Tower” Plants have arguably laid a solid technical and resource foundation for the subsequent development of CIMC Vehicles. In the first half of 2022, the market share of CIMC Vehicles China’s semi-trailer business increased significantly by 66.3% as the Company has constantly leveraged on the economies of scale of “Light Tower” Plants. As its name suggests, “Light Tower” Plants guide CIMC Vehicles to make progress. At the third stage, the Company will comprehensively build the Sophisticated Manufacturing System. “We have a clear understanding of our strategy at each stage: at first the Company should grow its business, then expand so, and take the next step to strive for high-quality development.” Li Xiaofu remarked firmly.

With the clear strategic development path, CIMC Vehicles’ foundation lies in the strong hard power. As a manufacturing enterprise, CIMC Vehicles has manufacturing plants, professional technical teams and good marketing teams in the world. Leveraging on these hard and soft infrastructures, CIMC Vehicles has been able to develop their overseas business in the global markets.

It is noteworthy that CIMC Vehicles has kept innovating their talent strategy. On the one hand, CIMC Vehicles has recruited excellent talents overseas. At the early stage, the core team members included the senior product designers from the Toyota headquarters in Japan, the high-quality talents studying abroad in Australia and other countries, as well as the overseas high-caliber personnel (Peacock Plan) from Shenzhen. On the other hand, CIMC Vehicles launched the “Technical Trainees Program for 2025” to recruit fresh graduates from first-class universities in

China to strengthen CIMC Vehicles’ team. This Program has been implemented for four to five years with remarkable results.

Additionally, since 2021, CIMC Vehicles has begun organizing a special training camp for the construction of the Sophisticated Manufacturing System, of which the purpose is to build up and improve the engineers’ comprehensive capacities through special training and real workplace training. “The results have been fruitful. Many of the technical team members are being promoted gradually to management level with good practical results.”

“CIMC Vehicles are engaged in the manufacturing and sales of road transport vehicle equipment; ‘to provide our clients with good equipment and good transportation solutions’ is always our responsibility and mission.” As CIMC Vehicles has developed for twenty years, the team remains true to their original aspiration.

FIRST MOVER’S FORESIGHT:

Adapting to the New Pattern and Leading the Development of the Industry

With the rapid development of science and technology, emerging technologies such as the Internet of Things, automation and AI are integrated with the logistics industry to better promote the standardization, intellectualization and digitalization of the industry. Meanwhile, against the backdrop of economic globalization, the international logistics market has become volatile.

As the leader of the industry, CIMC Vehicles has remained agile and open-minded. Li Xiaofu told iFeng.com Guangdong that given the trend of comprehensive upgrading in the logistics industry, CIMC Vehicles has seized first-mover opportunities to make arrangements for the trend, and has taken the initiative to adapt to the new pattern.

In the first place, CIMC Vehicles has cooperated with national ministries and commissions to promote standardization and compliance of the road transportation equipment in China. Moreover, CIMC Vehicles deepens the cooperation with tractor manufacturers in projects including the integrated tractor-trailer solutions, so as to achieve further development in wind resistance, noise reduction and other stability issues of fully-assembled vehicles, optimization of the cargo space, and the communication system between tractor and trailer.

It is worth noting that in response to the compliance of the light truck market and the demand for lightweight products, CIMC Vehicles launched the “TB” brand in a forward-looking manner, focusing on truck bodies for refrigerated trucks and dry cargoes.

“Before CIMC Vehicles established the Terabyte Truck Bodies Business Strategy Division, Shandong CIMC, one of the

subsidiaries of CIMC Vehicles, had ranked first in sales volume of the refrigerated trailers in China for consecutive years. With more than 20 years of experience, CIMC Vehicles has enhanced the development and growth. We therefore launched the “TB” brand, to focus on providing better urban distribution services, and enhance our existing capabilities.” Li Xiaofu stated. He continued that given the normalization of COVID-19 pandemic, the urban distribution was indispensable and closely related to everyone’s daily lives. The market demand is in line with our own advantages. With the advent of the van transportation development of the logistics and transportation industry in China, the “TB” brand is expected to become a new business growth point for CIMC Vehicles.

In the face of globalization development, CIMC Vehicles puts forward the business model of “Intercontinental Operation, Local Manufacturing”.

“Compared with the past, the current globalization actually presents the reverse globalization or fragmentary globalization to a certain extent.” Li Xiaofu said sharply.

In essence, “Intercontinental Operation, Local Manufacturing” is in line with the new pattern of global trade. In the past, CIMC Vehicles insisted on global operations, and established their own manufacturing plants in the United States, the United Kingdom, South Africa and other countries to achieve the rapid development of global business. Under the new trend of globalization, CIMC Vehicles will deepen the business model of “Intercontinental Operation, Local Manufacturing” through the Sophisticated Manufacturing System” in the future. Moreover, the Company will rely on its 23 manufacturing plants and 10 assembly plants in the world, and give full play to its production and assembly capabilities, global supply chain management and global logistics and distribution, forming the international operation pattern with core competitiveness.

After nearly 20 years of experience, CIMC Vehicles has established the Sophisticated Manufacturing System. Leveraging on the manufacturing capacity of the “Light Tower” Plant system, the Company is able to better support the teams across the globe and increase the investment in local manufacturing. “The current arrangement is also to enable our clients to receive quality products and services continuously.” Yet, Li Xiaofu underlined that the fragmentation of the environment of world trade will not lead to the fragmentation of the Company’s operation; the Company’s operations will remain a complete system.

By means of technological progress, R&D innovation, CIMC Vehicles constantly adjust and optimize the business model, face the challenges of globalization actively and efficiently, and open up a sustainable and high-quality strategy for the Company to develop under globalization.

CIMC Vehicles: Illuminating the Road to Sophisticated Manufacturing with “Light Tower” Plants

Source: China Securities Journal August 12, 2020

Editor's Note

Since the establishment of Shenzhen Special Economic Zone, a large number of outstanding enterprises including Huawei, Ping An, Tencent and other giants, as well as more up-and-coming enterprises, have sprung up. From today, the Journal will launch a series of reports with the theme of “Development of Up-and-coming Enterprises by the 40th Anniversary of the Establishment of Shenzhen Special Economic Zone”, which reflects the great achievements of Shenzhen Special Economic Zone in the past 40 years from the perspective of enterprises.

Eighteen years ago, CIMC Vehicles started its business in a dilapidated maintenance workshop in Shekou, Shenzhen. With an “aggressive” effort, CIMC Vehicles has gradually completed the evolution from scratch and from weak to strong: every year, it has more than

100,000 semi-trailers sold and 19 “Light Tower” Plants established all over the world. CIMC Vehicles has become the fastest-growing and leading specialty vehicle enterprise in China. It is striving for becoming the first semi-trailer manufacturing enterprise with A shares and H shares.

“Shenzhen has endowed CIMC Vehicles with the aggressive spirit of the special economic zone. In the future, we will illuminate the future road to Sophisticated manufacturing with ‘Light Tower Plants.’ Li Guiping, president and CEO of CIMC Vehicles, said in an exclusive interview by China Securities Journal that after more than ten years of development, the Company had upgraded traditional semi-trailer manufacturing workshops to “Light Tower” Plants. In the future, the Company will continuously improve and establish “Light Tower” Plants and build a Sophisticated Manufacturing System representing Industry 4.0 of China.



“LIGHT TOWER” PLANTS EMPOWER SOPHISTICATED MANUFACTURING

In the 40-year development of Shenzhen Special Economic Zone, the rise of the high-end manufacturing industry cannot be ignored. CIMC Vehicles is an up-and-coming enterprise in the wave of development of the manufacturing industry in Shenzhen. As a sophisticated manufacturing enterprise, CIMC Vehicles produces and sells seven types of semi-trailers, truck bodies for specialty vehicles and refrigerated van truck bodies in more than 40 countries and regions.

In “Light Tower” Plants of CIMC Vehicles, the intelligent production line precisely connects every production process including laser cutting and blanking, robot welding, KTL powder spraying and coating, and produces vehicle parts on a modular basis. These parts will be transported to all parts of the world for flexible assembly according to market demand.

Under the principles of “manufacturing trailers by way of producing sedans” and “benchmarking against the most stringent European production standards in the world”, “Light Tower” Plants of CIMC Vehicles have the key to the transformation and upgrading of a semi-trailer enterprise with the largest sales volume in the world.

“The production of most of our core components were outsourced in Europe in the past and the ‘Light Tower’ Plants are the product of our exploration of high-end manufacturing.” Li Guiping said that the ‘Light Tower’ Plants began to be built in 2014, with the aim of getting rid of the dependence on outsourcing of production of foreign high-end parts and components, and upgrading traditional plants to intelligent, automatic and digital manufacturing plants. As at 2019, the Company had 12 “Light Tower” Plants of semi-trailers in the world, 5 “Light Tower” Plants of truck bodies for specialty vehicles and 2 “Light Tower” Plants of lightweight van bodies in China.

“‘Light Tower’ Plants can help save 40% of labor, and significantly improve the production and logistics efficiency.” Li Guiping said that in the semi-trailer 2.0 era of China, “Light Tower” Plants provided kinetic energy for the Company to maintain its leading position. With “Light Tower” Plants, the Company has built the “Sophisticated Manufacturing System” that has begun to take shape, thus realizing the transformation and upgrading from a traditional labor-intensive enterprise to a modern environmental-friendly enterprise, so that its products have higher quality and price advantages among similar competing products in the world. In the future, the Company will continuously put into production at home and abroad, and further establish and improve “Light Tower” Plants.

ACTIVELY EMBRACING THE CAPITAL MARKET

In line with the development of Shenzhen, a young city, CIMC Vehicles has been “accelerating its development” for the past 18 years.

In 2002, CIMC Vehicles was established in Shekou, Shenzhen. In the second year, CIMC Vehicles acquired and merged Yangzhou Tonghua and Zhumadian Huajun in China, and merged and reorganized Vanguard, an enterprise in the United States, thus accelerating its global arrangement.

In 2007, CIMC Vehicles ranked first in terms of production capacity and volume in the world. In 2015, the data of ACT Research, an authoritative industry consulting organization in the United States, showed that CIMC Vehicles ranked first in terms of global market share for semi-trailer products, and among the top three and five respectively in the European and American markets with the most intense competition and the highest quality requirements.

In July 2019, CIMC Vehicles was listed on the Main Board of the Hong Kong Stock Exchange, becoming the first semi-trailer manufacturer in the Hong Kong stock market. In March 2020, the results report 2019 published by CIMC Vehicles showed that the Company recorded a profit of RMB23.22 billion, and its net profit increased by 7.7% year-on-year to RMB1.33 billion. In terms of product sales volume, in 2019, CIMC Vehicles sold 117,700 semi-trailers worldwide, thus ranking first in global sales volume.

The reporter of China Securities Journal learned that CIMC Vehicles carried out the plan for listing on the ChiNext Market of the Shenzhen Stock Exchange. If it is so listed, it will become the first semi-trailer manufacturer with A shares and H shares.

Li Guiping said that if A shares was listed, the Company could further optimize and improve its corporate governance structure and attract more high-quality investors. Meanwhile, as an important strategic arrangement, the listing of A shares can provide capital advantages for the strategic core measures of the Company including upgrading its product modules and improving “Light Tower” Plants.

OPTIMISTIC ABOUT THE “STAYING POWER” OF THE SPECIAL ECONOMIC ZONE FOR DEVELOPMENT

The innovation and industrial upgrading of Shenzhen helped incubate the sophisticated manufacturing system of CIMC Vehicles. In recent years, Shenzhen has vigorously

implemented the upgrading of industrial structure, and strategic emerging industries such as high-end equipment manufacturing have been in the ascendant. All these have given CIMC Vehicles the confidence to become big and strong.

“The entrepreneurial experience of CIMC Vehicles has made us realize that innovation and change are the only way for development.” Li Guiping said that the rapid development and rise of CIMC Vehicles benefited from the good business environment, abundant human resources and market regulation policies in Shenzhen. On the historical milestone of the 40th anniversary of the establishment of the special economic zone, the “staying power” of the special economic zone for future development is expected. Meanwhile, Shenzhen should further create an ecosystem conducive to innovation in the future, so as to fully stimulate the innovation power of the society, and strengthen the absorption power for talent introduction and cultivation.

“We hope that more enthusiastic and ambitious people will gather in Shenzhen to establish outstanding enterprises that develop with the times and match Shenzhen.” With regard to the future of the high-end manufacturing industry of Shenzhen, Li Guiping suggested that Shenzhen should improve the efficiency of resource allocation in an all-round way, release the reform dividend, speed up the establishment of a market-oriented innovation system with enterprises as the mainstay and the industry-university-research integration, develop the forward-looking first-mover advantages, drive the transition of the industry from self-sufficiency to opening up and cooperation, and form a complete and effective value chain.

The story of CIMC Vehicles' "Little Giant" and "Magic Steel Plate" will give you the answer about what is "professionalism, refinement, distinctive and novelty"

Source: Nanfang Daily February 17, 2022

Reporter recently learned from Shenzhen-based CIMC Group that six of its subsidiaries have now been selected as "Little Giant" for professionalism, refinement, distinctive and novelty. Staying focused, continuing to innovate, improving quality, building core competencies and caring for customers are the keys that have enabled CIMC Vehicles to nurture a number of "Little Giant".

In the interview at CIMC Vehicles (Jiangmen) Co. Ltd. ("CIMC Jiangmen"), the reporter learned the story of how a "Magic steel plate" turned a corporate into a "Little Giant". This "Magic steel plate" has not only brought CIMC Vehicles out of the confusion and dilemma, but also helped its mixer truck achieve industry-leading position in China together with other partners.

EVEN SMALL ENTERPRISE CAN DO GREAT THINGS EVEN SMALL STEEL PLATES CAN CHANGE THE INDUSTRY

At CIMC Jiangmen's production base in Da'ao Town, Xinhui District, Jiangmen City, Guangdong Province, hundreds of specialty vehicles are ready for export to various countries around the world.

CIMC Jiangmen is a "Little Giant" engaged in the production of semi-trailers and specialty vehicles for 17 years. Compared to a decade ago, the super wear-resistant steel used in its production in recent years is distinctive and has been called the "Magic steel plate". Its distinctive characteristics have not only increased the company's own revenue and profits, but also helped customers to make significant cost savings.

Taking a cement mixer truck as an example, the use of super wear-resistant steel allows the truck to lose 800kg of weight, which means that 1.6 tons of carbon emissions can be reduced in the production process of each truck. This not only allows the vehicle to carry 800kg more cargo at a time, but each vehicle also saves nearly 3,000 liters of fuel consumption and 6 tons of CO₂ emissions per year, saving nearly RMB20,000.

According to Ding Zhengxiang, General Manager of CIMC Jiangmen, in recent years, the company has been committed to promoting the cement mixer trucks made of super wear-resistant steel and they are favored by more and more customers because it allows them to save costs, save energy and reduce emissions.

It is worth noticing that the "Magic Steel Plate" developed by CIMC Jiangmen and Baosteel Group is not only used in CIMC Jiangmen's products, but is also widely used throughout the industry. It has greatly reduced the consumption of steel in China and contributed to the cause of low carbon and environmental protection.

1 YEAR'S PROFIT + 3 YEARS' TIME TO DEVELOP THE "MAGIC STEEL PLATE"

How did the "Magic steel plate" come about?

Mr. Ding told the reporter that, in 2012, the market demand for specialty vehicles nationwide was halved, all the companies in the industry were in difficulty and in desperate need of a breakthrough. Therefore, they resolved to survive and thrive under the limited demand through product innovation and bringing more valuable products to customers.

Mr Ding joined CIMC Vehicles back in 1992 and he was involved in the manufacture of CIMC Vehicles' first trailer. He has rich experience in manufacturing, at that time, considering that the overloading of specialty vehicles in China has been very serious, the CIMC Jiangmen team firmly believed that if a wear-resistant and light-weight product was developed, it would definitely solve users' troubles.

It may seem like a simple idea, but the real development process is extremely difficult for the company and often takes a long time to be accepted by the customer. For example, when they tried to produce with lighter steel, they were misunderstood by customers as "cheat on labor and materials".

For small and medium-sized enterprises, the R&D talents are limited, how to challenge the difficult research and development Mr Ding recalls that in 2013, they worked with Baosteel to develop super wear-resistant steel with the help of CIMC's R&D resources. However, the finished products that came out at the beginning always failed to meet demand, and often only a few qualified steel plates could be utilized. By 2015, a total of 15 batches of trials had been made in three years, and although it was successful, the utilization rate was only about 60% due to the specifications of the steel plates that came out, obviously, continuous improvement was needed.

"We experienced a lot of failure and pain, as well as even fell on the verge of abandonment." Mr Ding said that in addition to setbacks in the process of research and development, a large amount of capital was invested in it, with more than RMB20.00 million invested from 2013 to 2015, which was equivalent to the amount of profit gained in a whole year. In addition to the high cost of steel plate, the high-strength steel as a new material brought high difficulty in welding, resulting in great pressure on the team, many people intended to give up.

In the face of difficulties, what should a team of several hundred people do? In the end, CIMC Jiangmen chose to persevere, and the customers who had complained about the product slowly changed their attitude towards the super wear-resistant steel products. Since 2015, more and more customers have accepted super wear-resistant steel products, and the products began to be able to raise prices.

Compared to previous products, the mixer truck using super wear-resistant steel is around 800kg lighter than the same vehicle and lasts three to four years longer than vehicles using ordinary steel, says Mr Ding. After withstanding the test of time, both the sales volume and the price of the super wear-resistant steel increased.

NEVER STOP INNOVATION, SHARPEN A SWORD IN A DECADE

The dedicated innovation brings value to the enterprise and honor to the team.

Mr Ding said: "We used to be the industry follower, but after developing the super wear-resistant steel material to fill the domestic gap, we became the industry leader, and many companies came to learn our technology, and our right of speech in the industry was enhanced. This material was widely recognized for its contribution to the whole industry and even to the realization of Chinese "Carbon Peaking and Carbon Neutrality" objectives, overloading management and limitation management."

After the development of super wear-resistant steel and the acceptance of the product by customers, CIMC Jiangmen's innovation did not stop. Tens of millions of capitals have been invested in research and development every year, the thickness of the steel plate of super wear-resistant steel has become thinner and thinner, from 6 mm down to 3 mm, the utilization rate of the steel plate has been increased step by step to 95%. The super wear-resistant steel plate was first applied only to the cylinder and then applied to the blade, it has been continuously iterated and upgraded.

At present, CIMC Jiangmen has a R&D team consisting of nearly 100 people, and has approximately 40 authorized patents, many of which are invention patents. Mr Ding and the team have also felt the long-term cumulative effect of innovation. The company's experience in the development of super wear-resistant steel has given them a better idea of where to focus their efforts when they later develop corrosion resistance when producing urban dump truck. CIMC Jiangmen has also accumulated positive relationships with many industry leaders, such as Baosteel Group, to carry out research and development cooperation in a more smooth way.

Mr. Ding is deeply aware that innovation is a long-term process.

He said that "First of all, if innovation is based on the customer's demand, you will have infinite faith in that the innovation is on the right track; secondly, you should keep going during the process of innovation; thirdly, the innovation needs to be fault-tolerant, and you should not treat your team and partners harshly. In the end, the innovation should be done step by step, instead of a rush for quick results."



New World Order

Source: Global Trailer September 2021

THE 2021 GLOBAL OEM RANKING LIST REVEALS THE TOP 40 SEMI-TRAILER MANUFACTURERS FROM AROUND THE WORLD BASED SOLELY ON PRODUCTION OUTPUT FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021. ANOTHER YEAR OF COVID-19 AND MARKET VOLATILITY HAS SEEN SOME SEISMIC SHIFTS IN HOW THESE LEADING OEMS OPERATE UNDER CHALLENGING AND EVER-CHANGING CONDITIONS.

Yet again China's mighty CIMC Group reigns supreme with a total production estimate that more than triples the outcome of the next contender. CIMC Vehicles sold 160,342 semi-trailers in total during 1 July 2020 to 30 June 2021. The OEM's operating principle involves basing production on sales prospects – in other words the sales number is very close to the production number. According to CIMC's prospectus, the sales output ratio was 98.3 per cent, while the average rate for 2017-2020 was 99.55 per cent. Therefore, CIMC Vehicles' actual production number falls between 161,066 and 163,115. For 2020, CIMC Group sold a total of 131,327 units (2019: 117,707 units) of semi-trailers worldwide. A total of 56,449 sets (2019: 46,267 sets) of truck bodies for specialty vehicles and 6,049 units (2019: 4,459 units) of truck bodies for refrigerated trucks were sold in China. "As the global economy was affected by the Covid-19 outbreak, the Government of the People's Republic of China proposed a new development pattern with 'the domestic circulation as the mainstay and the domestic and international dual circulation promoting each other', which has provided broad development room for the logistics and transportation market and the sophisticated manufacturing industry in China," CIMC Vehicles said in a statement. "Business segments of the Group in the China market recorded strong growth, which contributed to the overall revenue performance, with the total revenue of 26,247.2 million RMB, representing a year-on-year increase of 13.0 per cent and hitting a record high.

GERMANY MAKES A TRIUMPHANT COMEBACK

Notably absent from last year's ranking, due to a delay in confirming results, Schmitz Cargobull has returned. Positive results, a change of 6.0 per cent year-on-year, show that even though the Covid-19 pandemic has widely affected the trailer building industry, Germany's trailer building powerhouse continues to persevere. In recent times, the OEM has expanded production capabilities in the UK following the launch of a new facility. It has also brought to market a series of new semi-trailer designs – the EcoGeneration – that champion aerodynamics, greater fuel efficiency and higher productivity through clever engineering.

Particularly, these product developments align with a greater vision to introduce road transport technology that provide sustainable, green solutions for fleets across Europe and beyond.

THE US SWOOPS IN

Going by the numbers, it's evident that the Covid-19 pandemic severely impacted several North American players. For Great Dane, however, the disruption was enough to stall positive year-on-year output. In a case study from the OEM, Boyle Transportation was one of the first road freight companies to transport Covid-19 vaccines from Pfizer's global supply manufacturing plant to distribution points across the US. The Co-President of this fleet, Andrew Boyle, was adamant that

the best practices in technology and equipment made these Covid-19 vaccine deliveries possible. The partnership between Boyle Transportation and Great Dane has endured for 30 years and goes to show how important the OEM-fleet relationship is in the context of the wider supply chain, especially when it comes to the delivery of temperature-sensitive pharmaceuticals. "Having a relationship like this enables them to help advance our fleet through continually improving specifications that meet or exceed the client's expectations," said Boyle. "We rely heavily on the dealer to know our business and spec equipment with premium specifications to minimise downtime because when we're transporting critical goods, failure's not an option. The fact that we've never had a trailer fail is a testament to the high-quality product that Great Dane sells us."

KRONES RISES THROUGH THE RANKS

The last 12 months have been especially busy for the German OEM with facility improvements and new products rolling out. The trailer builder established two new assembly lines at its site in Herzlake which increased capacity to more than 180 units (dry freight trailers) per week. This investment bolstered Krone's Dry Liner product portfolio, enabling four basic models with different side wall types to accommodate a variety of applications. Complementing its diverse product range, Krone is also continuously developing its Mega Liner which now boasts maximum payload, easy height adjustment, convenient handling, extreme versatility and longer service life. The tare weight is less than 6,500 kg, in the Ultra-Light version even less than 5,900kg. Thanks to the new roof design, the hydraulic lifting roof can be opened and closed up to 500mm without any major effort. With the Safe Curtain load-securing tarpaulin for particularly fast and safe loading and unloading during high-frequency volume transportation. Due to its sophisticated modular system, the Mega Liner can be made fit for numerous individual requirements – from piggyback capability to hydraulic rear widening. The combination of the KTL plus powder-treated chassis and the pre-galvanised components ensures particularly high corrosion protection.

A NEW VISION FOR WABASH NATIONAL

Like its US counterparts, Wabash National doubled down on a customer centric approach while also preparing for strategic growth. The trailer manufacturer turned transport and logistics solutions provider adapted to the challenges that Covid-19 presented the nation and actioned a new final mile strategy. This pivot came in the form of a restructure called 'One Wabash'. "Our new organisational structure based on value streams and customer centricity is yielding early and significant wins of reducing friction for customers and is allowing us to think in new and interesting ways," Wabash National CEO, Brent Yeagy, said in a letter to shareholders in April 2021. "Our purpose, vision and mission provide common direction throughout our organisation, and the growth of a values-based culture that is also shaped by our Wabash Management System helps us act with renewed strategic purpose." This strategy, scaling to serve strong customer demand, appears to be working as the company's Q2 2021 net sales of \$449.4 million USD were up by 32.5 per cent compared to the prior year quarter. "While the manufacturing environment continued to be broadly challenging during the second quarter, Wabash National is successfully navigating the issues created by labor scarcity and material cost increases compounded by exceptionally strong demand in our industry and in the economy as a whole," said Yeagy. "Our strong financial results are a testament to our employees' dedication to serve our customers as well as our diligent cost control through the year."

QUIETLY HUMMING ALONG, HYUNDAI TRANSLEAD

Based on publicly available information regarding Hyundai Translead's trailer output for the reported period, the estimation is close to half of what it was last year. Unfortunately, no representative from the company came forward in time to confirm their numbers. The market in the US is visibly volatile as there are other OEMs in the line-up that see a negative impact upwards of 60 per cent. In the beginning of 2021, the US-based OEM

unveiled a new dry and refrigerated trailer range in addition to teasing a lightweight polymer core composite panel that aims to lower the Total Cost of Ownership (TCO) for fleet operators. The new advanced fibre core composite panel was reportedly developed over the past three years in collaboration with LG Hausys, a manufacturer specialising in high performance materials including appliance and automotive components. Meanwhile, Hyundai Translead also noted developments in producing lighter weight trailing equipment.

UTILITY EMBRACES SUSTAINABILITY

The industrious Utility Trailer Manufacturing company has been actively focused on sustainability efforts and was even awarded for being a Top Green Provider. Utility commissioned the Ramboll Group, a third-party environmental and health consultancy, to help identify and quantify successful sustainability projects at its manufacturing facilities throughout the US. The Ramboll Group concluded that Utility saves more than \$1.4 million USD per year just from reduced water, energy, materials usage and lowering overall waste generation. One of the many ways that the company is contributing to sustainability is with the development of the Utility Aerodynamic Side Skirt (USS-120A-4) and the Utility Aerodynamic Tail (UAT). Utility's Side Skirt comes standard on all Utility trailers and the Aerodynamic Tail comes as a factory-installed option. These two aerodynamic devices have significantly reduced emissions when paired together on a Utility trailer. The company has also been making a positive impact on the cold food and beverage industry with Non-HFC (Non-Hydrofluorocarbon) foam 'Solstice'. Utility is in the process of making the change to 'Solstice' and once available it will, according to the OEM, be the standard foam insulation in all of its reefer products. A key benefit to Non-HFC foam is that it does not incorporate strong greenhouse gases, which helps reduce the impact on climate change. This new base specification of the Non-HFC Foam complies with requirements from those regions in North America that have imposed the Non-HFC foam requirements.

RANDON BRANCHES OUT OF SOUTH AMERICA

Heated demand from sectors related to agribusiness and the sale of consumer goods, especially through e-commerce, as well as several acquisitions, were key drivers in South America's Randon Companies achieving consolidated net revenue of approx. €297.9 million for Q1 2021. To date, this is a milestone achievement for the Brazil-based OEM – the best quarter of the company's 72 – year history. "The satisfactory performance that the company has been presenting in recent months is also connected to the constant investment in innovation and new technologies, which directly contributes to the improvement of efficiency and productivity," said Randon Companies CEO, Daniel Randon. Strategic expansion is the next phase in Randon's grand scheme. One market of particular interest is East Africa where a new deal has been struck to ship platform trailers and tipper sets from Brazil to Kenya to be commercialised by a Randon agent. Randon expects continuous growth in terms of market share in the next few years, reaching neighbouring countries such as Tanzania and Uganda. "Our operation in Kenya is important to the company and is recognised by our customers," said Randon Implement General Director, Sandro Trentin. "East Africa is expanding rapidly as a whole, and we seek to maintain a leading role in this region with consolidated strategic partnerships."

SALES BOOM IN POLAND

Poland-based OEM, Wielton, observed a positive trend in increasing sales of semi-trailers and trailers throughout the country with April 2021 results showing an upwards trend. Sales recovery, amid the Covid-19 pandemic, is on track for the trailer builder, which entered 2021 with ambitious plans and clearly defined goals. The results achieved in the following months of this year show that, like the entire market of trailers and semi-trailers, the company is constantly strengthening its position. The decision to use the lockdown time to modernise the plant in Wieluń also turned out to be right, which resulted in an increase in production efficiency and profitability. These activities are reported to be of key importance due to the production of products and their components for the domestic market and for foreign plants belonging to the Wielton Group. "The record-breaking recovery on the trailer and semi-trailer market in Poland has been going on for another month in a row," said Piotr Kuś, General Director, Vice President of the Management Board of Wielton SA. "Currently, our goal is to focus on the implementation of the plan to increase sales volume, effective order fulfilment and rebuilding shares in Poland. We assumed that we are aiming

for 44 per cent year-on – year growth in 2021. We intend to achieve this plan in a stable and sustainable manner. By analysing the data of the Polish Automotive Industry Association, we can assess that each month we are getting closer to achieving ambitious goals, thanks to the effective use of the demand on the domestic market." By July 2021, to cap off its ongoing success, the OEM Polish OEM, expanded its container trailer range with two new models.

TIRSAN GROUP MAKES SOME NOISE

With a surge of 34 per cent in year-on-year trailer production, the TIRSAN Group is gearing up to be a serious contender in the top 10. This business operates under three different companies to drive its customers forward: Kässbohrer, Talson Trailer and Tirsan Treyler. In 1893, when Karl Kässbohrer founded his workshop in Ulm, he redefined what trailer engineering could achieve. Today, thanks to 120 years of staying true to his ethos, Kässbohrer products are used in more than 55 countries. "At the beginning of the pandemic, firstly, we have digitally upgraded our aftersales network of 598 service locations," said Kässbohrer Board Member, iffet Türken. "In April 2020, we upgraded our aftersales network pages to include the real-time opening hours and status of all our after sales networks for the convenience of planning for our customers' repair and maintenance. We have adapted non-sectoral habits to our industry. Increased online communication and e – learning through webinars inspired Kässbohrer K-Talks. In order to maintain communication with its stakeholders during restrictions, Kässbohrer organised a K-Talks webinar series moderated by expert team members in September. During these sessions, the finest examples of our widest product range were presented and new vehicles for the construction range, for the Nordic countries and tipper vehicles for agricultural material were introduced." In addition to its digital overhaul, Kässbohrer continued its R&D investments and proudly introduced 22 new vehicles to the sector in 2020. Among its 22 new products, general cargo vehicles include a complete intermodal product range that showcases load factor and load capacity optimisations as well as the reduced weight with special urban solutions. Tank and silo vehicles showcase developments for different sectors from food transportation to chemical and petroleum products. The low bed range showcases loading and manoeuvrability optimisations with the addition of Kässbohrer first time suspensions systems. As Kässbohrer designs, tests and manufactures for its customers in the EU region, the OEM also specialises in Scandinavian and Russian markets with dimensions capacities larger than EU standards. The launch vehicles for these markets build on years-long expertise of customer satisfaction and are expected to deliver

on robustness, safety and efficiency. Meanwhile, the Kässbohrer network continues to grow. To improve customer support, Kässbohrer opened its head offices in France, Spain and Poland in 2020, and operated with more than nine sales offices respectively in Finland, Sweden, Denmark, Netherlands, Poland, Germany, France, Italy, Spain and Russia. Kässbohrer also expanded its aftersales network. During 2020, Kässbohrer appointed 58 new after-sales points into its wide aftersales network and now offers value-added services from 598 locations. This year, the OEM is bringing tipper and low-loader innovations to NUFAM 2021.

THE FINAL COUNTDOWN

Brazil's Librelato held onto position 12 with a modest boost in productivity of 11,800 trailers for the reported period. A fair effort considering it managed an improvement of 28 per cent. Lecitrailer produced 20 per cent more year-on – year and is climbing the OEM ladder, gaining two spots and currently sitting at position 15. A win for Spain. The United Arab Emirates are represented thanks to GORICA. This tipper specialist will hopefully turn things around as the economy and the global supply chain bounce back from Covid-19. It is those ambitious construction projects in Dubai and elsewhere that prompt market demand for its iconic products. Charles Dutil of Canada's largest trailer manufacturer, Manac, confirmed production volume was held back by component and labour availability. Despite this, the OEM rose to the occasion with a bump, albeit slight, in the right direction. Tonar of Russia revealed a significant achievement year-on-year with an improvement of 43 per cent – a total output of 5,436 trailers. It jumped from position 24 to 19. At position 20, Afrit of South Africa has performed admirably in the face of Covid-19 with an increase of 10 per cent in output. Also, The Reefer Group is poised to make a solid comeback if all goes to plan with its hydrogen-powered innovations – the likes of CHEREAU in France are to be watched with keen interest. This year, we welcome some other new entrants to the list including Austria's Schwarzmüller Group and BERGERecotrail, STAS of Belgium and Russia's Grunwald. Many of the US numbers marked with an asterisk indicate estimates based on information obtained via other industry sources. The editorial team recognises the date range for many of these are out of sync with the preferred reporting period which may cause slight variations compared to actual results. The editorial team encourages these trailer builders to contact Global Trailer so that we can work towards 100 per cent data accuracy.

RANK	OEM	COUNTRY	TOTAL PRODUCTION	2020 RESULT	2020 RANK	CHANGE	MOVEMENT
1	CIMC Vehicles Group	China	161,066	149,760	1	7%	< >
2	Schmitz Cargobull	Germany	49,137	46,124	-	6%	New
3	Great Dane	US	48,651	50,500	4	-4%	^
4	Krone	Germany	45,000	37,119	6	17.50%	^
5	Wabash National	US	36,400*	45,100	5	-19%	< >
6	Hyundai Translead	US	34,700*	66,090	2	-47%	v
7	Utility Trailer Manufacturing	US	33,800*	51,900	3	-34%	v
8	Randon	Brazil	31,534	23,260	7	26%	v
9	Wielton Group	Poland	20,200	17,492	8	13%	v
10	TIRSAN Group	Turkey	15,340	10,150	11	34%	^
11	Kögel	Germany	12,797	10,647	10	17%	v
12	Librelato	Brazil	11,800	8,490	12	28%	< >
13	Stoughton	US	11,000*	16,700	9	-34%	v
14	Schwarzmüller Group	Austria	9,600	-	-	-	New
15	Lecitrailer	Spain	8,080	6,453	17	20%	^
16	Manac	Canada	7,800	7,200	14	7%	v
17	GORICA	UAE	6,100	6,500	16	-6%	v
18	EnTrans International	US	6,050	7,700	13	-21%	v
19	Tonar	Russia	5,436	3,087	24	43%	^
20	Afrit	South Africa	5,049	4,533	21	10%	^
21	The Reefer Group	France	4,938	4,861	20	2%	v
22	Pitts Enterprises	US	4,400*	4,865	19	-10%	V
23	MAC Trailers	US	4,100*	6,200	18	-34%	v
24	Timpte	US	3,250*	2,900	25	11%	^
25	Fruehauf de Mexico	US	2,599	2,700	26	4%	^
26	STAS	Belgium	2,500	-	-	-	New
27	Premier Trailer Manufacturing	US	2,425*	1,400	34	42%	^
28	Fontaine	US	2,420*	6,900	15	-65%	v
29	XPO Logistics	US	2,020*	1,770	32	12%	^
30	East Manufacturing Co	US	2,010*	3,240	23	-38%	v
31	Strick Corporation	US	2,000*	2,300	29	-13%	^
32	Kentucky Trailer	US	1,965*	2,600	27	-24%	v
33	Felling Trailers	US	1,960*	1,790	31	-9%	v
34	Grunwald	Russia	1,856	-	-	-	New
35	Trail King Industries	US	1,750*	2,400	28	-27%	v
36	Reitnauer	US	1,500*	3,900	22	-62%	v
37	Talbert Manufacturing	US	1,269*	1,270	35	~1%	v
38	BERGERecotrail	Austria	1,200	-	-	-	New
39	GRW	South Africa	1,096	1,868	30	-41%	v
40	Doepker Industries	US	1,000*	1,500	33	-33%	v

World Champion Back to A Share Market CIMC Vehicles Listing on the ChiNext Created a Remarkable Milestone

Source: 21st Century News January 29, 2021

In April 2020, the reform of the ChiNext registration system was officially implemented, building a new bridge between the development of emerging industries and the services of capital market. In the face of opportunities in the A share market, CIMC Vehicles (01839.HK), a subsidiary of CIMC Group (000039.SZ/02039.HK), soon started to launch the ChiNext listing process, which was officially accepted the case by Shenzhen Stock Exchange in July 2020, and was successfully approved by the committee in December 2020.

As early on July 11, 2019, CIMC Vehicles was officially listed on the Stock Exchange of Hong Kong. In 2020, under the background of the innovation and reform of the Chinese capital market, CIMC Vehicles ushered in the opportunity of listing on the ChiNext. On May 6, 2020, CIMC Group announced that its shareholding subsidiary CIMC Vehicles was planning to list on the ChiNext.

It is worth mentioning that CIMC Vehicles would likely become the first "A+H" dual listing company held by the "A+H" dual listing parent company, creating a remarkable milestone to the China capital market. It is also representing a significant innovation of China capital market with the implementation of registration system, which has greatly increased the attractiveness of high-quality Chinese companies listed abroad. Besides, CIMC Vehicles will bring a demonstration effect to other overseas listed companies held by "A+H" dual listing companies and lead the trend of being back to A share capital market.

WORLD CHAMPION BACK TO A SHARE MARKET, CIMC VEHICLES LISTING ON THE CHINEXT CREATED A REMARKABLE MILESTONE

As a critical process in the construction of China capital market, the reform of ChiNext and the pilot registration system are representing great significances to promote the transformation and innovation, the overall virtuous cycle and the high-quality development of China economy.

At present, the ChiNext has attracted several exemplary industry-leading companies, including the CATL and Mindray Medical etc. It is no doubt that CIMC Vehicles' return to the ChiNext is an epoch-making milestone, creating a new benchmark in the field of sophisticated manufacturing.

As the very first sophisticated manufacturers returning to the A share market, CIMC Vehicles is the world's leading sophisticated manufacturer of semi-trailers and specialty vehicles, and is also the vehicles and transportation business sector of CIMC Group. CIMC Vehicles' growth in Shenzhen where is the forefront city of Chinese economy reform, facing to the worldwide. Moreover, CIMC Vehicles is also a Chinese enterprise in the world's representative of sophisticated manufacturing regarding to semi-trailers and specialty vehicles. Hence, listing in the A-share market is a long-cherished willing of CIMC Vehicles.

In 2019, CIMC Vehicles launched its first process of listing in Hong Kong Stock Exchange. After the initiating of the ChiNext registration system, CIMC Vehicles submitted the listing applications as the first batch of companies. With the successful approval by the committee on December 25, 2020, the ChiNext is welcoming another global industry leader.

"In the past of years, many companies had no choice but to go public in Hong Kong or US capital market due to the spin-off policy. However, the liquidity of the overseas capital market is undesirable, and the existing gap in international investor's understanding

of Chinese companies' business models result in undervalue of some high-quality companies." Industry insiders said, "With the reform of the ChiNext and the deepening opening-up of Chinese capital market, the financing capacity of the ChiNext continues to improve, and the process of high-quality listed companies returning to A Share market is accelerating."

CIMC Group's listing has created a significance of innovation. In 1994, CIMC Group was listed in Shenzhen Stock Exchange. In 2012, CIMC Group's B Shares were delisted in Shenzhen Stock Exchange and listed as H shares in Hong Kong Stock Exchange, creating the first successful B to H shares transferal case in capital market. In the subsequent of spin-off policies, CIMC Group's business sectors were all listed in Hong Kong Stock Exchange, such as CIMC Enric (03899.HK).

In July 2019, after CIMC Vehicles' listing in Hong Kong, policies regarding to A-Shares market proclaimed frequently. In December 2019, China Securities Regulatory Commission (CSRC) issued several Regulations on Pilot Chinese Listing of Listed Companies by Splitting their subsidiaries. In 2020, the ChiNext began to implement the registration system in order to attract more well-known enterprises to be back to A share market, illuminating CIMC Vehicles' choose to be listed in the ChiNext.

It is also attributable to the fact that in the process of promoting the pilot registration system and the construction of basic systems, the Shenzhen Stock Exchange has set up diversified and inclusive listing conditions, set up multiple listing standards considering the estimated market value, revenue, net profit, R&D investment, cash flow and other factors, and allowed enterprises with special equity structure and red chip enterprises going public. The optimization of issuance and listing conditions has unblocked direct financing channels for enterprises, greatly enhanced the inclusiveness of the sector, and significantly stimulated the business enthusiasm of innovative and growing enterprises.

In addition, over the past 11 years, the ChiNext has been cultivating many excellent

companies for the Chinese capital market. The ChiNext has gradually become a base for incubating high-tech and growth companies. In the opinion of professionals from the capital market, companies listed on the ChiNext have strong growth potential and a large number of companies in emerging industries listed on it, which leads a result that the ChiNext itself should enjoy a certain valuation premium effect. With the implementation of the registration system, the ChiNext will further enhance the ability of the capital market to serve the real economy, and more global great companies are expected to be born from there.

For CIMC Vehicles, listing in A share can further optimize and improve its governance structure, enhance the comprehensive governance level, fully explore and utilize the financing channels of A share capital market, attract more domestic high-quality investors, enhance stock liquidity and financing capacity, promote business transformation and development, create more value for shareholders and investors, and continuously improve the core competitiveness of the company.

“LIGHT TOWER” PLANTS LEADS THE GLOBAL INDUSTRY DEVELOPMENT OF SOPHISTICATED MANUFACTURING TECHNOLOGY MOAT OF CIMC VEHICLES

CIMC Group focuses on providing high-quality equipment and solutions for the global logistics and energy industry. Over the past 40 years, its business has expanded to containers, road transport vehicles, energy and chemical storage and transportation equipment, marine engineering equipment, airport equipment, food processing equipment, heavy truck equipment, logistics services, industrial parks etc.

In 2019, the revenue of CIMC Group reached to RMB85.815 billion, which is only one more step into the multi-national industrial group scale of RMB100 billion. CIMC Vehicles is one of CIMC Group's high-quality businesses with core competitiveness and successful global operation. In term of its revenue scale, CIMC Vehicles is the second largest business segment of CIMC Group.

CIMC Vehicles is a sophisticated manufacturer of specialty vehicles and semi-trailers in China, North America and Europe with products in the three major markets, and the market ranking is leading and the product competitiveness is strong: as of 2019, CIMC Vehicles has maintained the world's first semi-trailer in term of sales for seven consecutive years.

In the first three quarters of 2020, CIMC Vehicles achieved revenue of RMB18.8 billion, increased by 7.3% year on year.

At the same time, CIMC Vehicles is expected to reach annual operating revenue of RMB24 billion to RMB26.5 billion in 2020, which is expected to hit a record high, and the global leading position in sophisticated manufacturing of semi-trailers and special vehicles continues to be stable.

According to the report of PWC, China's semi-trailer and special-purpose vehicle market is still in the developing stage, and the immature and non-specialized demand market leads to the relatively scattered supply side of China's semi-trailer market. According to China's semi-trailer enterprise sales statistics, in 2019, the market size of China's semi-trailer industry exceeded RMB80 billion, of which the revenue of CIMC semi-trailer was about RMB13.55 billion, the market share can be seen.

In addition, being the world's largest semi-trailers manufacturer in terms of sales volume, CIMC Vehicles is also a leading manufacturer of specialty vehicles and refrigerated van truck bodies in China and a leader in upgrading the traditional specialty vehicles manufacturing industry to sophisticated manufacturing.

Since 2014, CIMC Vehicles began to explore the construction of “Sophisticated Manufacturing System”, in the Chinese and overseas have been completed 12 “Light Tower” Plants of semi-trailers, 6 “Light Tower” Plants of specialty vehicles, and 2 “Light Tower” Plants of refrigerated van truck bodies, setting up multiple series of semi-trailer products “product module”.

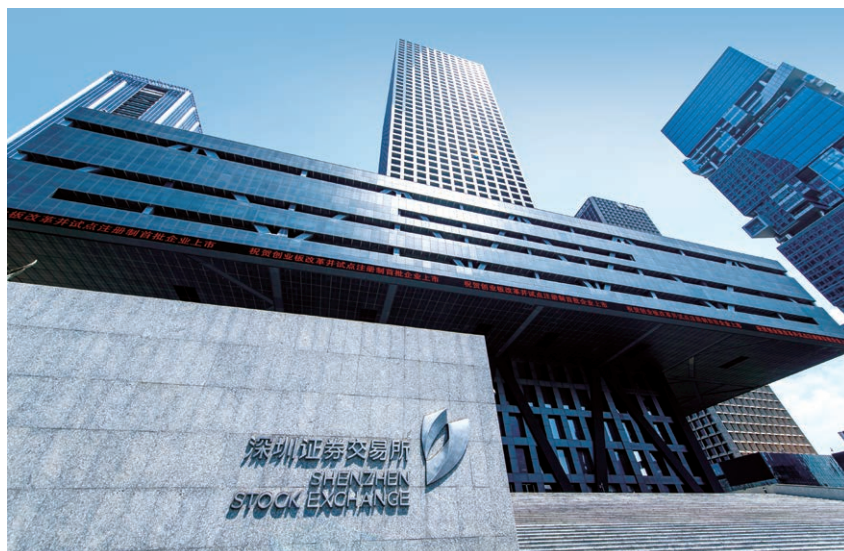
It is reported that the “Light Tower” has achieved good performance in improving the utilization of raw materials, reducing the number of workers, improving efficiency

and greening production. CITIC Securities research report shows that compared with the traditional production model, the “Light Tower” model has reduced the cost of a single vehicle by around RMB1,000, reduced personnel demand by 29% and increased per capita output value by 32%.

Reviewing the rise of CIMC Vehicles, the Chairman and CEO of CIMC Group Mr. Mai once said: “CIMC Vehicles business started in 1998 when I visited Australia and saw semi-trailers. There were no semi-trailers in China at that time, CIMC Group became the first company to catch the great development of logistic vehicles upgrading in China. Therefore, we seized the opportunity to start the vehicles business at the right time, integrated global resources, and soon became the world's NO.1 in terms of sales, and many industrial standards in China were developed by CIMC as a leading role.”

According to CIMC Vehicles' prospectus, the company's annual investment in research and development has exceeded RMB300 million and is still growing, with core technologies products accounting for more than 90% of total revenue. Equipped with more than 700 people research and development staffs, 1,000 registered patents, and 22 national or industry standards participated in. CIMC Vehicles has built a strong technological moat in the global scope and has thus become an outstanding representative of Chinese sophisticated manufacturing worldwide.

Equipped with more than 700 people research and development staffs, 1,000 registered patents, and 22 national or industry standards participated in.



Logistics Equipment Market in North America is on the Threshold of Prosperity Sophisticated Manufacturing of Semi-trailer Industry Embraces Certain Opportunities

Source: zhitongcaijing.com August 11, 2021

Recently, Raymond James, a well-known financial institution in the USA, raised the target stock price of Wabash National (NYSE: WNC) from USD18 to USD22, and rated Wabash National as "strong-buy". According to the recent data from a famous market research company called MarketBeat, the major foreign capital institutions upgraded the rates of Wabash and other logistics equipment manufacturing companies, which is closely related to the positive trend in the overall performance of the logistics and transportation market in North America.

At the outlook seminar in the second quarter of 2021, U.S. Freight Transportation Research ("FTR") said that they estimated the semi-trailer and truck markets in North America will be performing "excellent" in the next five years, and the capacity of semi-trailers will reach to peak in 2023, i.e. 330,000 semi-trailers. Besides, Technavio predicted that from 2021 to 2026, the trailer market will increase by USD4.99 billion with an annual compound growth rate of 3.47%. These data fully proved that the logistics and transportation and semi-trailers market in North America are shuffling off the impact of the pandemic and starting to fully recover. The semi-trailer market in North America is still short of supply. It is the best growth opportunity in recent years for semi-trailer manufacturing and logistics and transportation equipment manufacturing companies.

THE SHORTAGE OF TRUCK DRIVERS DECREASED, INCREMENTAL NEW TRUCKS ARE THE UNDERPINNING TO SOLVE THE CURRENT LOGISTICS DILEMMA IN NORTH AMERICA

Due to the outbreak of the pandemic, ports and logistics transportation in North America were suspended, resulting in clogged sea routes and mountainous piling of containers. The gaps in truck drivers and logistics and transportation equipment were exposed to the public.

On October 25, the American Trucking Association ("ATA") warned that there was a shortage of 80,000 truck drivers in America. This is particularly resulting in the global supply chain crisis due to the shortage of truck drivers to move cargo out of the crowded ports.

To solve the problem of shortage of truck drivers, the transportation companies continue to improve the salaries of drivers. Cargo Transporters, a dry van transportation company, announced its third and largest salary increase in 2021 with the all-inclusive pay package increasing from 58 cents/mile to 60 cents/mile.

Certain results were achieved by increasing the wages for truck drivers. According to employment data released by the U.S. Department of Labor in October, the number of truck drivers in the U.S. recovered to 1,515,500, which is very close to the number

before the pandemic outbreak. Between September and October, there were 7,900 additional truck drivers, representing a consecutive growth of 5 months.

The congestion at ports is gradually improving as the number of truck drivers recovers in the United States, but the gap in demand for more logistics and transportation equipment is widening. Aaron Terrazas, the director of economic research at CONVOY, said that "With the number of truck drivers increasing rapidly, the shortage of equipment will become a major factor in the recovery of the industry." The supply of logistics equipment manufacturing will become the key to solving the current problems.

According to the statistics of ATD, the sales volume of heavy trucks in the United States exceeded 232,000 units in the first half of 2021, 28.5% up on a year-on-year basis, achieving a remarkable rebound. However, ATD warned that the problem in the supply chain will be the key to limiting the increase in sales volume of semi-trailers and trucks, to meet surging domestic freight demand and the congestion of ports. The shortage of logistics and transportation equipment will continue for some time, which is the reason why analysts have been optimistic about the semi-trailer manufacturing industry.

THE MARITIME TRANSPORT KEEPS HIGH DEMAND, GLOBALIZED ENTERPRISES STRIVE TO SEIZE THE OPPORTUNITIES OF LOGISTICS AND TRANSPORTATION REBOUND

The current surge in global demand for commodities and goods has led to continued congestion at global ports and tight supply chains, and the situation shows no sign of abating. The estimation released by Goldman Sachs on 1st November that the high cost of transportation around the world would continue until at least mid-2022, with a large number of containers stranded at ports.

Market data disclosed by Maersk in November indicates that "The overall transportation demand for the route from Asia to North America remained strong in December. The congestion at the ports in North America took a change for worse, and the waiting time of the vessels at the ports of Los Angeles, Long Beach, and Seattle increased to 21 days. In addition, the five largest shipping lines for the routes between Asia and the United States collectively raised the GRI (General Rate Increase) on November 1, which is the 21st adjustment of freight for this route since 2021. The average freight for a 40-foot standard container was adjusted by at least USD1,000 and the total freight exceeded USD10,000/container.

Indicators revealed that current congestion at the ports in the United States had not improved as the government has stepped in and asked the ports in heavy congestion to initiate a 7 x 24 hours working schedule. Several core ports in the United States are experiencing the piling of containers. A large number of containers are left stranded for a lack of container frame trucks and semi-trailers.

Therefore, it is clearly that under the circumstance of the global supply chain which is not fully recovered, the enterprises with global layout and localized manufacturing advantages have more initiatives in hand. This is undoubtedly the best opportunity for global enterprises with offshore capacity and manufacturing layout, such as CIMC Vehicles, which is the global leader in sophisticated manufacturing of semi-trailers and special vehicles in the world.

According to the public data, the local manufacturing process in North America conducted by CIMC Vehicles has shown initial results. In 2021, the refrigerated trailer manufacturing plant in Indiana, United States, and the refrigerated trailers assembly plant in Ontario, Canada were put into operation as scheduled. The local brands of "Vanguard" and "CIE" have also been operated for many years, establishing a high brand reputation in North America.

In addition, CIMC Vehicles also has the advantage of global resource integration. Based on the scale advantage of centralized procurement, CIMC Vehicles ensures the supply of raw materials and reduces the cost of logistics by the global supply chain management model, hence, CIMC Vehicles does well in reserves before the demand of semi-trailers in North America recovers.

THE PANDEMIC HAS RESHAPED THE CONSUMPTION HABIT OF CONSUMERS IN NORTH AMERICA, FURTHER RELEASED THE DEMAND FOR LOCAL LOGISTICS AND TRANSPORTATION

Regarding to the local consumption, the COVID-19 pandemic has reshaped the habit of the consumers in North America, the demand of e-commerce logistics has increased significantly, 79% of cargo in the United States were transported by truck during the pandemic period. Online orders being delivered to consumers' homes within a week is a desire. Consumers have new expectations for improving logistics efficiency and shortening the delivery time. Therefore, the market makes new requirements for the improvement of logistics infrastructure. The demand for semi-trailers used for logistics and transportation is expected to release.

Compared with traditional physical supply chains, e-commerce supply chains require threefold logistics assets. To adapt to the transformation of the logistics industry, the major e-commerce companies in North America have made further investments in transportation capacity construction, upgraded logistics base stations, and reserved transport vehicles. Both the van trailers and the refrigerated trailers become "sweet pastry".

According to MWPVL International, Amazon has opened 450 new distribution stations in the United States to distribute cargo; at present, Amazon has more than 930 distribution stations in the United States. Meanwhile, the major fleets in the United States are actively purchasing van trailers and refrigerated trailers to reserve transportation capacity to ensure the domestic transportation of consumer goods. It is not difficult to see that with the change in habits of the consumers in North America, the demand for the logistics and transportation industry will be further released.

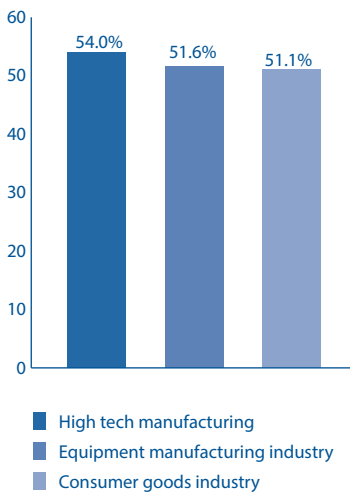
Based on resource integration and local manufacturing advantages, CIMC Vehicles seized the recovery opportunity. According to the financial statements, as of the third quarter of 2021, CIMC Vehicles' revenue of semi-trailer business worldwide rose to RMB11.6 billion, 22.8% on a year-on-year basis. North America is the main overseas business market of CIMC Vehicles. Benefiting from the optimization of local production lines in the North American market and the rapid surging market demand, the sales volume of refrigerated trailers in North America increased by 178.5% on a year-on-year basis.

On November 5, the US House of Representatives approved an infrastructure plan of USD1.2 trillion, representing the largest scale since the Second World War. This implementation of the infrastructure plan will stimulate the US economy directly and give a fillip to the recovery of logistics and transportation equipment market in the United States.

Nowadays, overseas semi-trailer market demand release is already a definite trend. As global supply chain is affected by the pandemic, the integration of the industry is accelerating, and the leading enterprises with advantages in local manufacturing are expected to gain additional development opportunities.

Share of Manufacturing Industry's Market Value in GDP Achieved a Rebound against the Trend in 2021, Capital Market Seeking the "Dark Horse" in the High-end Manufacturing Industry for 2022

Source: New Fortune, February 7, 2022



At the beginning of 2022, as the industries such as photovoltaic and new energy, which were prosperous in the past, were hit hard, the capital market rapidly shifted its focus to the traditional low-valuation sectors. When the US Federal tends to increase interest rates to further tighten its monetary policy, the capital market's investments became steady gradually, and the manufacturing sector, especially the high-end manufacturing one, received great attention from the capital market.

On January 20, 2021, the State Council Information Office of China held a press conference on the development of industry and information technology in 2021, in which Tian Yulong, the chief engineer of the Ministry of Industry and Information Technology, said that the overall industrial economy maintained the recovering development and the digital transformation of the manufacturing industry was expedited. Thus, the green and low-carbon development in the industry made positive progress, and the industrial transformation was going full steam ahead. The equipment manufacturing industry contributed more than 40% to the growth of the overall industry. It demonstrated the increased significance of the equipment manufacturing industry to support and promote the development of the whole industry.

It is worth noting that the added value of the manufacturing industry accounted for 27.4% of GDP in 2021, up 1.1% year-on-year. Industry insiders said that this was the first rebound after a continuous decline in the share of the manufacturing industry in the past ten years. This indicated the resilience of the manufacturing industry in supporting economic stability. It also demonstrated that the manufacturing industry should further intensify the input in R&D of cutting-edge technologies so that the advanced manufacturing industry can play a leading role.

2022 is a crucial year for transformation and upgrading of China's manufacturing industry. According to some analysis, investors should actively seize the opportunity from the transformation and upgrading of the manufacturing industry, pay attention to the development direction of the emerging advanced manufacturing industry, which has a high certainty of the future performance, a large room for development and a solid business environment. The investors were recommended to pick steady growth stock of the manufacturing enterprises which have technological innovation drivers and the advantages in self-developed core technology.

INDUSTRIAL ECONOMY CONTINUED TO RECOVER

Imminent Needs for the Logistics Industry to Transform and Upgrade

According to the data from the National Bureau of Statistics, the purchasing managers' index (PMI) for China's manufacturing sector was 50.3% in December 2021, up 0.2% from the last month. This is the second consecutive month that the business environment achieved a rebound, reflecting the continued and increased growth momentum of China's manufacturing sector. In terms of industries, the PMI of high-tech manufacturing sector, the equipment manufacturing sector, and the consumer goods sector was 54.0%, 51.6% and 51.1%, respectively. All of these sectors maintained rapid growth and continued to be above critical points.

Looking back to 2021, thanks to its strong growth resilience, China's manufacturing industry became an important driving force in global technological innovation and transformation and upgrading of the manufacturing industry. According to a report released by the Chinese Academy of International Trade and Economic Cooperation of the Ministry of Commerce, Asia was the major destination of global foreign direct investment in 2021. The inflationary pressure on emerging market countries like China was significantly lower than that of European and American countries. In the emerging market countries, the inflation movement was relatively moderate; Better economic environment also allowed larger room for national monetary and fiscal policies.

In 2022, digitization and intelligence, dual-carbon objective and greening, and the construction of domestic circulation and the reconstruction of supply chain are currently three major significant trends in the future. China's manufacturing industry is transforming the development model based on the concept of green development while controlling the total volume and tapping internal resources, and therefore digitalization and intelligence will significantly improve efficiency. Coupled with the construction of the domestic circulation and the reconstruction of the supply chain, it can support China's economy to seek new growth drivers effectively, so as to cope with the gap in external demand.

Take the logistics industry as an example. There are imminent needs for the logistics industry to Transform and Upgrade with regards to the complicated conditions arising from digitalization, intelligence and dual-carbon objective. Since the outbreak of the COVID-19 epidemic, the consumption habits of residents have been reshaped, online e-commerce retails have been booming, and e-commerce live-streaming has further promoted the penetration of e-commerce. Data show that the volume of China's online retail sales reached RMB11.76 trillion in 2020, 10.5 times compared with that in 2013. The share of e-commerce sales volume in the total volume of retail sales of consumer goods increased from 5% in 2013 to 30% in 2020. The rise of e-commerce has directly driven the surge of China's logistics industry. According to the data on operation of logistics as of November 2021, released by China Federation of Logistics & Purchasing, the total amount of social logistics in China in the first 11 months of 2021 was RMB288.8 trillion, up 9.7% year-on-year with the annual average growth rate of 6.3% in two years. China also became the first country in the world achieving over 100.00 billion express mails, demonstrating the huge market. As estimated by Tianfeng Securities, the total amount of logistics in China is expected to reach RMB380 trillion by 2025.

In contrast to the huge market, there are still a number of problems in China's logistics industry, such as technically backward and non-compliant vehicle models, information asymmetry, low loading rate of truck, low utilization rate of transport capacity, scattered subject of highway freight, and the degree of digitization to be increased. There is still a large room for improvement of logistics efficiency.

According to data, the cost of China's logistics was RMB14.9 trillion, accounting for 14.6% of GDP, compared with 8% over the same period in the United States. If the measures such as series specialization, digitalization, drop-and-pull + multiple-pull trailer mode in mature European and American markets are implemented to improve quality and efficiency in the logistics industry, the cost of logistics in China will be reduced by RMB1.00 trillion given that the share of the cost of China's logistics in its GDP is 12%.

In specific, in order to reduce the cost of logistics, the massive utilization of semi-trailers and specialty vehicles at the hardware level is an important means of improving quality and efficiency beside the breakthrough made at the software level.

It is reported that the semi-trailer can be connected to tractors produced by any tractor manufacturer; the part of the truck body is placed on the tractor, and most parts of weight and loading of the semi-trailer is driven by the tractor, both of which shall complete the cargo transportation in coordination. The semi-trailer can be connected arbitrarily and stop and go whenever needed, so it is possible to improve the efficiency of cargo transportation. At present, the proportion of semi-trailer tractor

to semi-trailer in China is, however, still low. In developed countries including Europe and the United States, the proportion of semi-trailer tractor to semi-trailer is 1:2.5-1:3, compared with only 1:1.07 in China. Hence, there is a large room for growth in China.

In addition, the carbon emissions from the Chinese transportation sector account for about 11% of the total social emissions. In terms of transportation mode, the total carbon emissions from highways account for 87%. In developed countries including Europe and the United States, upon the completion of industrialization, the carbon emissions from the transportation sector generally accounts for 20-30% of the total social emissions, forming a situation of "three sectors" together with industry and construction sectors. It implies that the total demand for transportation and the total quantity of transportation equipment will still increase, and the total amount of carbon emissions will continue to increase before "China's Objectives of 2030 Carbon Peaking and 2060 Carbon Neutrality" are achieved. It is imminent for the need to reduce the carbon emissions from highway transportation by means of transportation standardization, in particular the drop-and-pull + multiple-pull trailer mode. Compared with single-trailer transportation, the multiple-pull trailer mode can reduce carbon emissions by 27%, which is strategically important for China's carbon emission objectives.

SOPHISTICATED MANUFACTURING EMPOWERS GREEN LOGISTICS AND TRANSPORTATION

The Leader in Global Semi-trailer are Expected to Fully Benefit

In the overall semi-trailer market, only CIMC Vehicles and a few semi-trailer manufacturers around the world have achieved standardized, large-scale, and intelligent manufacturing. According to the data on ranking of global semi-trailer manufacturers in terms of production volume according to Global Trailer in 2021, CIMC Vehicles have been the world's No.1 semi-trailer manufacturer for nine consecutive years. CIMC Vehicles also became the world's largest semi-trailer manufacturer in terms of sales volume, and a leading manufacturer of truck bodies for specialty vehicles and light van truck bodies in China.

In recent years, by comprehensive establishment of the Sophisticated Manufacturing System, CIMC Vehicles has made arrangements of "Light Tower" Plants in the world and become the global leader in the semi-trailer industry with the leading manufacturing capacity. It is noted that the manufacturing process has been upgraded and transformed to shift from labor-intensive production to the modularized, standardized, and environmental-friendly production with higher degree of automation. Through the "Light Tower" Plants, CIMC Vehicles have achieved the goals of good product quality, high material utilization rate, high production efficiency, and up-to-standard environmental

protection. With the economies of scale of the "Light Tower" Plants, CIMC Vehicles' semi-trailer business in China increased by 66.3% in the first half of 2021.

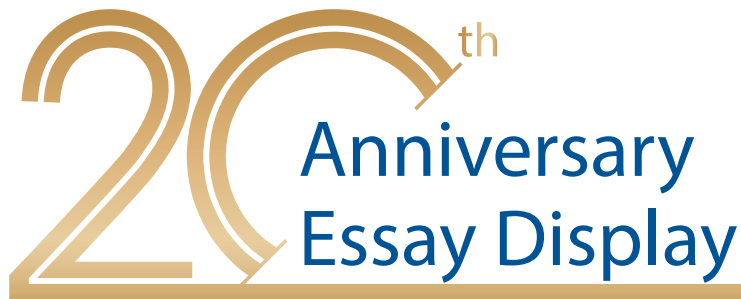
Moreover, in order to help improve the efficiency of logistics in China, CIMC Vehicles has deepened cooperation with Shaanxi Automobile and other vehicle OEMs to study the integrated tractor-trailer solution. Significant progress has been made in wind resistance and noise reduction of fully-assembled vehicles, and other stability issues of vehicle, optimization of cargo loading space, and communication between tractor and trailer.

Witnessing the trend of digitalization and green intelligence, CIMC Vehicles actively develops and promotes green products featuring new energy, intelligence, digitalization and lightweight. At present, the Company is establishing a business cooperation relationship with tractor manufacturers of new energy automobile engines in the truck bodies for specialty vehicles business. Furthermore, the Company launched the "TB" brand in 2021 in a looking forward manner to engage in the production and sales of refrigerated and dry van truck bodies, and actively seize the development opportunities in the cold chain market.

On January 12, 2022, the Ministry of Industry and Information Technology and the Ministry of Public Security jointly issued the Notice on Further Strengthening the Production and Registration Management of Light Trucks and Small-to-mini-sized Passenger Vehicles. The law enforcement authorities strictly implemented the Safety Technical Specifications for Light Trucks and Small Mini Passenger Vehicles from 1 March 2022 onwards. It is expected that the requirement will unleash the vast market demand for the truck bodies for compliant light trucks and benefit CIMC Vehicles, a leading enterprise with R&D technology moat and economies of scale.

There is no doubt that manufacturer of quality will be the focus of China's economic development for a long time ahead. As reiterated in the National 14th Five-Year Plan and the Outline of Visions for 2035, it is necessary to consolidate and strengthen the foundation of China's real economy and further implement the strategy of manufacturer of quality. With nearly 20 years of experience, CIMC Vehicles have established the Sophisticated Manufacturing System, adhered to the "Intercontinental Operation, and Local Manufacturing" model in response to the reverse globalization and the pandemic so as to resist the pressure of global geopolitics on the performance, and achieve the leadership in the semi-trailer industry.

In the future, under the guidance of the manufacturer of quality, these leading manufacturing capabilities will be solid for the Company to seize the development opportunities in the logistics and other industries.



20th Anniversary Essay Display

MY 20 YEARS IN CIMC SHINE LIKE STARS

Author: ShiTao

In March 2002, I went from Zhengzhou to Zhumadian. When I got out of the car, I had less than 10 yuan in my pocket. At the gate of Huajun Vehicle factory, I thought I would live there. As an ordinary family, I know my parents have done their best to support three students. As the eldest in the family, I had to do my best. When I went to onboard in the afternoon, the only available office station in the Finance Department was taken by another coworker who was onboard in the morning. I was arranged to do an internship in the workshop bending team. It was supposed to be an internship, but it ended up being a full-time job. My job was to transport cut sheets from the steel blanking team to the bending machine and then use the bending machine to press them into a corrugated boards, which would be the fence of a semi-trailer. I went to work at 7:30 am or 1:00 pm, and usually left around 10:00 pm. I was an intern, so I was the last to leave after cleaning. In the 10th month, I couldn't believe it when one day a finance colleague told me that there was a shortage of finance staff and the lead wanted me back. Acting team leader as well as student intern? The workshop director came over and said that our team leader had hurt his finger, so now I would be the acting team leader of the bending team. Leaders can't just leave so suddenly. It's been 20 years. Looking back now, all I can remember is the black water that flew from head to toe every time I came back from work and took a shower...

Back to the Finance Department, I was responsible for receiving payments, dispatching trucks, making payments, and making receipts for billing. Co-ordination

is a subject in college, but I couldn't learn it well. However, the financial work made me ride a bicycle to 4 banks within an hour to cash bank drafts and make payments. I could quickly coordinate according to the documents in hand, from Bank of China on Xuesong Road to ICBC on Jiefang Road, put on the stamp for the customer, and dispatch the truck at the agreed time. I'm especially proud of myself for changing a used bike every month.

In June 2006, I was transferred to Gansu CIMC. Chen Xiaoguang, the general manager at the time, picked me up in Lanzhou. He said, "You are the financial manager, but now the company is in the process of construction and needs you to do security work first and pay attention to water conservation." During the day, we inspected the engineering quality of the construction team, and on shifts at night, I worked as a security guard. I was not afraid of following Mr. Chen, but my dry and cracked lips hurt. Baiyin is a city of less than 100,000 people. The area surrounding the factory was not yet developed at that time. The North and South sides were undeveloped Gobi desert, to the West there was a deep ditch, and to the East there was a road with traces of pavement. I still remember the thousands of bright stars in the sky over the Northwest plateau in June. While looking at the stars, I called my wife, who was 5 months pregnant in my hometown, and told her about the beauty of the Northwest.

On October 16, the first semi-trailer of Gansu CIMC rolled off the production line, and we cried with joy. On January 9, 2007, the first child of the Gansu factory was born. Everyone called my child Tiny Baiyin. In September 2007, I participated in the 6th voyage training course of the company, and I saw the sea for the first time in Xiangshan, Ningbo. In 2008, when I was 30 years old, I became the general manager assistant and the youngest second-in-command. At that time, I was bold and proud. The stretch of barren Gobi mountains a few kilometers away, the solitary smoke in the desert, the locust tree flowers that bloomed only in May, and the sheepskin rafts drifting on the Yellow River made me feel so relaxed and happy.

At nearly minus 30 degrees, we pushed our stopped hero Volkswagen Santana to sing songs for hundreds of miles without people. We tested coal trucks at the border of Inner Mongolia and Mongolia. After staying in the cab for half a month, we could smell the mutton odor from each other half a mile away. We stuck the troublesome scoundrels down the ditch together. More than 10 years have passed, and the Northwest still boils my blood every time I think of it. Northwest! These memories will never fade away.

In October 2011, the chief financial officer of the company, Mr. Li Zhimin, called me full of expectations and said: "Shi Tao, you've been fighting by the Yellow River for 6 years, and it's time to change the frontline. In two weeks, you will go to Wuhu CIMC Ruijiang. In the South of the Yangtze River there is no shortage of water, but you will continue to work hard." I was a little shocked and responded in a low voice. I didn't say that I had just moved into a new house, my second Tiny Baiyin would be born in 3 months, and I hadn't thought about leaving the Northwest.

Jiangnan in November gave me the feeling of returning to "Hometown" written by Lu Xun. That was until Wang Zhujiang, the general manager, held my hand and said, "Welcome to join us. We are currently facing some temporary difficulties. We are implementing the "Midway Island" plan, and you need to quickly settle the financial accounts and manage the steel in a closed loop." His hearty laughter and sincere and determined eyes made me sober up to the fact that I had come from the Northwest to Jiangnan.

For one month, I went nowhere but the office, cafeteria, and dormitory, and worked together with the financial team to settle the accounts. After the annual report, the loss was 25 million, the only loss since the establishment of the factory, and the year-on-year operation experienced a cliff-like decline! 2012 was a year of hard work. In the first quarter, the semi-trailer production started to be cut off to expand the production of mixer trucks and powder tankers. The staff was reduced from 1,500 to 1,000, and the marketing team was rebuilt. In the first half of the year, we stopped the downward trend. The general manager Wang

said that even though we only had a sales budget of 600 million yuan, we had a dream of 6 billion and even 10 billion. I really admire that optimistic leadership. In December, near the end of the year, Kunming, Yunnan, made a big order creating big expectations, but the payment never arrived. I asked to go to demand for the payment. In the morning, I stopped at the door of the boss surnamed He's office to ask for the money. He disappeared, so I continued to wait in front of his house at night. Struggling with hope and disappointment every day for more than 30 days! The day before Chinese New Year's Eve, Jin Cang, the company's legal counsel, said that the money had not been received, so the boss had to write an IOU. I stopped the boss in a small hot pot restaurant where he brought dinner for few people at the end of the year. I asked him to write a personal IOU for me. He wrote me an IOU on a small dining table and handed it to me condescendingly while saying, "All the debtors have gone home for the New Year, you make me both miserable and admirable!"

When I got the IOU, I ran to the airport, and in the lobby of the airport, I saw Yunnan's sky and the sun pierced my eyes. I was like a prisoner who walked out of the cell, saw the light, and cried. In 2013, that IOU played a key role for us to receive the owed money through a court.

Since September 2013, I have been in charge both of marketing and finance. This kind of job rotation mechanism that breaks the inherent attributes of positions may only be done in CIMC Ruijiang in the industry. In the face of a new team that has just been separated from the sales division system and rebuilt, the general manager personally took charge, and everyone explored and tried the "regional contracting system," "virtual auto trade system" and "simultaneous direct distribution." The wolf-like team system was completed after three years since the exploration, which was respected by peers. By the end of 2016, the five-year "Midway Island" plan will come to an end, thanks to everyone's cooperation. Those were unforgettable five years. There were thrilling stories at the end of each year. On December 30, 2014, due to a business dispute, a client had a business manager illegally detained

in a small county with a chaotic legal system in Dongying, Shandong. I went with Jincang and others overnight. I exchanged myself for the injured colleague to go to the hospital for treatment and went to negotiate with the client alone. I don't know where my courage came from, but I was not afraid when I faced a real gun pointed at me for the first time and a real knife was placed on my lap under the threat of chopping it off! I think it's because I watched a lot of Hong Kong gangster movies. However, after nearly a night of negotiation and taking advantage of a moment of peace, we escaped Shandong before dawn. When the sun came out, I was completely exhausted! In a roadside breakfast shop, we bought two boxes of Xiaodao Liquors to celebrate life. On the Halloween night of 2015, we fought to become famous. The day before Halloween, a debtor surnamed Zheng in Nanjing led a group of underground gangster to drive away the company's collection team with a court seal. The overdue collection team was extremely depressed. But us, rather than being depressed, quickly organized a team of 80 people, all dressed in camouflage uniforms, equipped with shovels, walkie-talkies and electronic jammers, took two buses and headed straight to debtor's parking lot. We divided our troops into four groups, blocked intersections, opened the gate, and quickly controlled the personnel in each room. When we repaired the vehicle that should have been seized and towed it to a safe area of more than 100 kilometers, the others were too far behind to catch up. On the bus back, we played high-pitched music at full blast and enjoyed the thrill of becoming famous in the industry.

Days of rushing went by so fast. In 2020, the company overcame the impact of the pandemic, gave full play to the advantages of high-end manufacturing, and implemented organizational reform, marketing reform and other measures to achieve a revenue exceeding 5 billion yuan, a net profit approaching 200 million yuan, and a compound growth of 30% for three consecutive years, successfully completing the "Budget 2020."

On September 14, 2021, the sky in Shenzhen was blue. After a meeting made my next stop clear, Mao Yi was on the 18th floor of Prince

Square and made me look at the sea through the window. She talked to me about the company's transoceanic manufacturing. In the new era, when fully implementing a high-end manufacturing system and managing a new infrastructure, every colleague needed to be firm and dedicated. She talked about the education of children and the mission of the new job, and said, "Unlimited is the sky for birds to fly at ease." CIMC Vehicles has a broad space for development. As long as we work hard, there is nothing we can't do... It has been almost half a year, but it always rings in my ears.

At the fourth stop, CIMC Lingyu, I was back to the Central Plains. In the face of the rapid downturn in the industry since the second half of the year, the financial industry had entered a brink of systemic risks. There was no time to see the scenery of Longmen Mountains and listen to the bell of the Horse Temple. We had invested in the battle for financial risk control. At the end of the year, we were awarded the "Outstanding Team" award, the highest award of the year. It snowed in the city of the Eastern Zhou Dynasty. Under the Yongfeng Pagoda in the ancient city of Luoyi, handsome men and beautiful women dressed in Han costumes danced in the snow to welcome the arrival of the new year.

The sound of jade flutes flew in all directions with the spring breeze of Luoyi. Spring is the most beautiful season in Luoyang, the ancient capital of the thirteen dynasties. The whole city's peonies bloom, welcoming visitors with their beauty.

If life is a journey, I think I have not stopped for a moment in the past 20 years. If life is an experience, I think that in the past 20 years, I have experienced the responsibility of being a husband, the happiness of being a father, the mission of being an employee, and the responsibility of being a leader. I am grateful to every city and factory that has accepted me and every noble person I have met in my life. These 20 years I have worked in CIMC shine like stars for me because I could get all the good things in life. In the next 20 years, I believe that beauty will remain...



A FATHER AND SON RELATIONSHIP WITH CIMC VEHICLES

Author: Li Yunfeng

At 20 years of age, a person is still in their prime. Likewise, at the age of 20, a company is in its prime and with a promising future. The 20th anniversary of the formation of CIMC Vehicles was in 2022. It was on that day that I posted the following to my WeChat feed: "20 years of rocky starts and 20 years of fruitful futures. Happy birthday, you lucky guy."

How can CIMC Vehicles not be great in my eyes, my dear friend? In the days when time flowed by like a river, he was my good companion, and I was his old friend. He participated in my maturing process, and I, in turn, witnessed his development and growth...

My journey with CIMC vehicles started in 2007.

My hometown is in Lantian County, Shaanxi Province, which is a village on the Guanzhong Plain. My parents were farmers, growing crops in the busy season and working odd jobs to support the family in their spare time. Poverty has walked alongside me since as long as I remember. However, as the saying goes, what doesn't kill you makes you stronger, and finally in 2007, near the start of the summer vacation, my father revealed his plan: To buy an articulated truck for long distance hauling. At that time, there were 3 young people in the village who drove large vehicles. They would often take trips to Wuhan, Guangzhou, and other places, and in the process earn lots of money. The most convincing evidence of that was their families' newly built two-story homes, which were worlds apart from the surrounding low, tiled houses. "Little Zhou told me that as long as I can buy a truck, he will use his business connections to get me work and help me stay afloat for the first couple of years. I can't lose!" My dad tried his best to persuade my mother, and being unable to resist him, she gave in.

Pooling their borrowed money, my dad and a few acquaintances went to the city. Before school started in autumn, my dad and the other villagers came back in an articulated truck. I remember vividly that it was red all over and had the words "CIMC Huajun" written on the side. "CIMC Huajun is probably the truck's brand name!" I guessed. It was with this truck that my dad started his career in transportation, transporting goods together with youngsters from the village. Slowly, my father became more familiar and better at his new career. Every winter and summer vacation, I'd help with the truck. During those times, we left the echoes from our laughter all the way from the main roads to the national highway...

To my surprise, after several rides I found that the CIMC Huajun truck was not only solid and tough, but also super comfortable to drive in. We would often spend most of the day sitting in the cab, and we never felt tired. The CIMC Huajun truck didn't just have us busily taking goods from place to place, but it also brought us considerable income. From my dad's point of view, the truck was like his old buddy.

It was in this way that the CIMC Huajun truck guided us through spring, summer, autumn, and winter...

After finishing high school in 2016, I failed to get into college, scoring 100 points below the required grade. After failing to get the marks, I decided I wasn't willing to work in a factory and so I also came upon the idea of driving for money. After seriously questioning me, my father finally decided to respect my decision. But what brand of vehicle to buy? Of course, CIMC Vehicles was the best choice. In February of 2017, a high-power and lightweight CIMC dumper truck drove into my yard. Today, that truck is fully integrated into my life and is a fundamental part of my day-to-day business.

I often ponder the question: What kind of vehicle is "CIMC Vehicles"?

Through my research, I found out that the CIMC Vehicles Group, with a vision of achieving intelligent interconnectivity, is a competitive and innovative special vehicle bodywork manufacturer operating in the Chinese market, as well as a lightweight truck body manufacturer. Since 2014 the company has begun to explore the construction of a "sophisticated manufacturing system," while simultaneously reinforcing the business model of "Intercontinental Operation, Local Manufacturing" to make steady progress on the path of innovation and development. In the first half of 2021 alone, it achieved an operating income of 17.71 billion yuan, or 2.63 billion USD, a year-on-year increase of 57.6%...

Here's to CIMC Vehicles!

My son, Pistachio, is 4 years old this year, and as soon as my little guy saw the trucks coming and going on the street he got excited and shouted "Dad! I want to build cars when I grow up!" I told him that if he spends his childhood studying hard it will lead to a future of building high-quality vehicles. I hope my son's dreams come true!

In 20 years, babbling children can become youthful adults, and in 20 years a seedling buried inside a greenhouse can grow into a great oak tree. 20 years is neither a long nor short period of time. Although it passes in just a snap of the fingers, it's not as short as it seems. It's enough time to build a company up from scratch, from small to large, and to enable a group of like-minded individuals to forge a new business...

I wish for a prosperous future for CIMC Vehicles and hope that we will be back to toast them again in another 20 years!

20TH BIRTHDAY OF CIMC VEHICLES

Author: Deng Ke from Qingdao CIMC Special Vehicles

This year marks the 20th anniversary of the founding of CIMC Vehicles. My heart is full of excitement on the occasion of the 20th birthday of CIMC Vehicles.

The connection with CIMC was in October 2005. Qingdao Hengfeng Logistics, where I work, moved with Qingdao Port from Pier No. 8 to Qianwan Port. As one of the few logistics companies in Qianwan Port, it is mainly engaged in container leasing and shipping cargo loan business. The world's largest container companies such as TAL, TRITON, and TEX are the company's customers. At that time, based on the existing container manufacturing business in Qingdao, in order to develop the port logistics business, CIMC Group selected three companies close to Qingdao Port for business cooperation. One was Hengfeng Logistics, and the other two were CIMC Yulong and Zhenhua Logistics. After the company's equity change, I signed a labor contract with CIMC and officially became a member of CIMC Group. I was mainly engaged in the company's informatization construction and system operation and maintenance, as well as some container management. Since Hengfeng started managing CIMC Yulong, I have also been responsible for some informatization work of CIMC Yulong.

After joining CIMC Group in 2007, the logistics companies under the name of CIMC were promoted to implement online management system according to the group's development strategy so as to unify the logistics of all major ports. Therefore, I was fortunate to go to the Shenzhen headquarters for the first time to participate in the architectural planning of the system. I remember that it was February when I went there, and it was my first time flying. I thought that as Qingdao is in the North, it would be icy and snowy, and people wouldn't wear thin clothes. When I got off the plane at Bao'an Airport, I saw that

they were all wearing half-sleeved clothes. As I just transitioned from the cold winter to the hot summer, I felt that China is vast. The Group is located in Shekou, Shenzhen, the place where Mr. Deng Xiaoping drew a circle on the South China Sea in 1979 to promote China's reform, opening up, and acceleration to socialist modernization. Shenzhen is one of the first four special economic zones. Portraits and reform slogans can be seen everywhere, enough to see the infinite reverence and gratitude of the people of Shenzhen to Mr. Deng Xiaoping.

I remember going to the Group's office building, overlooking Kowloon, Hong Kong, high-rise buildings up close, and the traffic, and a sense of pride emerged inside me. I felt that CIMC was the most beautiful boy in Shenzhen, and I was the most beautiful boy of CIMC. This feeling was quite shocking and has been filling my heart since then. Maybe this is a kind of advocacy for advanced civilization. Shenzhen, as China's first special economic zone, represents China's advanced material civilization. Now Qingdao is trying hard to "learn from Shenzhen to catch up with it," which also proves that my advocacy was not blind.

During my years in CIMC, I have experienced life processes such as getting married, starting a family, and having children. It has also been a period of shaping my world view and developing a working style. Although I didn't have a outstanding achievements, I was just like numerous CIMC employees in ordinary positions, working hard and sharing the enthusiasm. It is precisely the down-to-earth and self-improvement tenacity of many ordinary CIMC workers that has made CIMC what it is today. Seeing the gratifying achievements of CIMC, the mountains that we have crossed, and recalling these unforgettable days at CIMC, I feel I will burst into tears. I have no regrets about my youth, and life is worth it!

Later, in July 2018, I was fortunate to be transferred from CIMC Group to Qingdao CIMC Special Vehicles. I continued to be responsible for the digitalization of company information, ERP system operation and maintenance. I was very grateful and proud to keep serving the Group and be a member of the new CIMC family, and the feeling persists.

Entering the new company, I met members of the CIMC family. The current container office building was designed and constructed by the project team of Hengfeng Logistics at that time. Every day I go to work and enter the office building, I feel at home. I am grateful for my years in CIMC, years of learning from CIMC Group's corporate culture. What a glorious future will we achieve with our united efforts!

I remember that when I first joined the company, although I had accumulated a certain amount of experience in my past jobs, I still needed to learn a lot of new things, especially about the newly acquired ERP systems such as EAGER and MAS, as well as the newly launched iwork collaborative office. I also had to learn from material procurement to cutting and blanking of steel plates, from frame welding to sanding and painting, and from assembly off-line to quality inspection and storage. Every work flow must be clearly understood, otherwise it will be difficult to carry out system operation and maintenance from the perspective of business, not to mention reform and innovation. In practice, I visit more places, ask more questions, and think more. I am especially grateful to all the leaders for their guidance and colleagues for their support. Their help has enabled me to continue to learn, improve in my work, and deeply appreciate the rigorous and efficient work atmosphere of the Group, advocating innovation and cooperating together.

In the past few years, I have been fortunate to witness the step-by-step growth of CIMC Vehicles. In July 2019, the company was listed on Hong Kong Stock Exchange. In 2020, affected by the pandemic and in the context of the global economic downturn, the revenue increased against the tendency by 13% year-on-year. In July 2021, CIMC Vehicles was listed on the Shenzhen Stock Exchange, and becoming the first A+H-share listed company under the IPO system on ChiNext. This was the epitome and sample of the transformation and upgrading of China's high-end manufacturing industry. In his New Year's speech, Mr. David Li, CEO and President of CIMC Vehicles, said: "Looking forward to 2022, CIMC Vehicles will have more break points than ever before and will definitely break through. CIMC Vehicles will take advantage of that breakthrough to

release greater potential, bring greater profit margins to the Group and create superior performance for shareholders." The gratifying results and stirring words made us very excited, and we felt our hearts full of power.

As an information engineer in the current economic driving force transformation and the use of "Internet Plus" to promote the transformation and upgrading of traditional industries and the company's business philosophy of "increase scales, reduce costs, increase efficiency, and achieve qualitative growth," it is necessary to be proficient in all aspects of the company's business and to start with details. It is also necessary to stay at the forefront of the informatization and keep up with the pace of the industry. Under the leadership team of President Zhang Jifan, taking into account that the last part of an

endeavor is the hardest to finish, we will keep working hard on innovation, exploring, seeking more digital empowerment for the company's various businesses, and making steady progress!

In 2022, CIMC Vehicles celebrates its 20th birthday. My heart is full of emotions. 20 years of trials and hardships, 20 years of hard work, let's carry this faith and birthday wishes and run towards a more brilliant future together!

“THE WHOLE RIVER RED: 20 YEARS OF CIMC VEHICLES”

Seas in turbulence, twenty years, the journey long.

Looking back, trials and tribulations, many hardships overcome.

Global operations connect the world, local wisdom shines brightly.

Through twists and turns, our hearts remain true, our eyes look forward.

In danger and distress, heroes are made: Products to market, changing the game.

Forging ahead to high-end markets, marching determinedly.

Cross-ocean operations with dear advantage, local manufacturing bears a heavy burden.

Zenith of youth, legacy and renewal, the saga is just beginning.

Note: "Remaining true to the original goal" and "legacy" were the themes of this call for submission. CIMC's past and current operating principles include "Global Operation, Local Knowledge" and "Intercontinental Operation, Local Manufacturing".

(Lingyu Vehicles Branding and Culture Department, Chang Guoqiang)

总裁2021 总赠书

Selected Articles from the Reading Challenge Competition

EDGE: TURNING ADVERSITY INTO ADVANTAGE

CEO Office
Liu Tong



Edge: Turning Adversity into Advantage tells us how to look at the current problems from a different perspective, especially those dilemmas that cannot be resolved through conventional methods.

There are many solutions to a problem, but this book makes us realize throughout cases what is our own problem-solving methodology.

I think that these cases restructure mature criteria.

Based on how Xiangshuai referred to the Chinese economy as “ripe economy,” we can also simply divide the industry into “ripe industry” and “unripe industry.”

Just like we assess a business. When we assess a manufacturing company, we focus on its return on investment, maturity of the management team, and fixed assets to judge whether it is a good company. We call them “ripe industry” evaluation criteria.

And when we invest in a game company, we often can't use the same criteria.

We may find that its GMV, number of users, customer satisfaction, and even the number

of bullet-screen comments on Bilibili. Just imagine that if we all use the criteria of whether users recharge money and whether the company can get investment from big companies such as Tencent and ByteDance, companies like HoYoverse certainly cannot enter the public eye with their heads held high. Therefore, for an “unripe industry” such as gaming, our evaluation criteria tend to return to the basics - “whether users like it or not.” The results are other evaluation criteria such as page views, retention rate, and topicality.

First of all, we agree that as the purchasing power of millennial and Gen Z consumers increases, the newly created “unripe industry” in business model is closer to emerging consumers and more innovative and futuristic. Second, we agree that, because the industry is new, the evaluation criteria of the “unripe industry” will be closer to the customer's willingness to pay. Then, can we think that some business models of the “unripe industry” can provide certain possibility of “dimensionality reduction” for the “ripe industry” that has a long-lasting mindset.

An example would be a company whose brand popularity and mentioning degree are high enough to continue to be passed on by word of mouth among C-end users of the semi-trailer industry. Are there some new IP marketing operations such as the joint venture between Eastroc Super Drink and a semi-trailer company that allows consumers who collected 200 bottle caps of Eastroc Super Drink could enjoy a free maintenance at a semi-trailer service station?

Another kind of exploration: Can an online situational comedy set in a semi-trailer production factory strengthen the self-identity of young workers and solve the problem of difficulty in recruiting blue-collar employees?

However, it should be noted that human beings must implement innovation thinking gradually because too much sudden innovation can be destructive.

Wang Mang's reform in the late Western Han Dynasty is an example of “destructive” innovation. When the level of productivity and the maturity of the social structure had not reached a sufficient level, a series of structural reform plans such as abolition of slavery, land equalization, and currency reform implemented by leaps and bounds shook the ruling foundation of the government, and a nation wide opposition wave was set off.

Relatively speaking, Ryanair has a much deeper understanding of graduality. Its steps are: first launching a brand that can solve customer pain points to gain customer flow; then make it reasonable for them to accept this model; explore the leanest operating model in terms of “cost-effectiveness;” and finally further explore profit models under the premise that a consumer base big enough has been established.

Whether it is a start-up company or a mature company, for a mature manager, when brainstorming ideas for innovating and controlling innovation, two things are always right:

The first one is to do scenario planning to avoid pies in the sky.

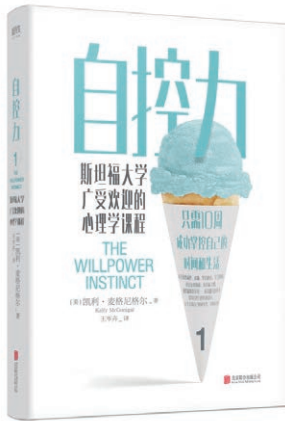
The second one is to increase the reading volume of business cases to be well prepared and avoid panicking.



Selected Articles from the Reading Challenge Competition

THE WILLPOWER INSTINCT READING NOTES

Authentication Center
Ji Chuanpeng



Sharing of how I tried and succeeded after reading this book.

This book is a very practical tool. Each chapter provides a self-control strategy, and you can try the most relevant one to your actual situation. I think you can only praise this book after a full cycle of trying. I did try and achieved considerable results.

I chose the self-control strategy mentioned in Chapter 3. This strategy is called the "I want" willpower experiment. In this experiment, I first determined my goal, that is, "I want" to improve my professional theoretical level. Then, I chose the course "Steel Structure Theory and Design" as a self-study goal based on my usual work content (because I am a product verification engineer, most of the products of CIMC Vehicles belong to the steel structure, and I need in-depth understanding of steel tensile strength and failure theory). When I first joined CIMC Vehicles, I wanted to take this course but in the past two years or so I always made various excuses, such as being too tired from work, or rarely reuniting with my family and friends. By the beginning of this year, I still hadn't studied not even one chapter. After reading the book *The Willpower*

Instinct, I suddenly had an idea: Why don't I just use this try to also promote this self-learning thing that has always been on my mind? Especially since last year, I have been helping to solve truck bodies failures and weight issues in the factory. Key knowledge such as steel structure failure theory and the accuracy of simulation methods puzzle me because of my lack of in-depth professional knowledge in this area. Progress is slow and it is difficult to address the root causes of the problem. So, I have a very strong "I want" goal.

Now that my goals were clear, I started to make plans for myself. I started my self-study challenge test a week before the Spring Festival. I forced myself to go to bed an hour earlier than usual and wake up at 7am to study an hour of "Steel Structure Theory and Design" before going to work. I chose that time because I was completely undisturbed and could concentrate on my studies.

Recalling this process, I can clearly see the changes in myself. At first, I forced myself to go to bed early, but when I went to bed, I was wide awake and played with my phone, so the actual sleep time was similar to before. This made me feel very sleepy after 7am the next day, so the first day's try failed.

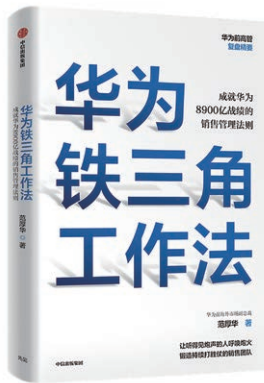
But then I remembered a quote from this book that read "continued self-control in small things will improve overall willpower." The failure on the first day was just a small test of my current willpower, and the next efforts will keep perfecting it. So on that day, I decided that I wouldn't give up. As long as I persist and develop the habit of self-study, it is possible to achieve my objective of professional improvement. So I made up my mind to get up and study from 7am on the third day, no matter how difficult it would be. The result was as expected. I was still very sleepy on the third day but insisted

on getting up and studying hard and it was highly productive. But when I went to work until the afternoon, I found myself very tired. But that was a start. I just had to go on with my plan and get used to it. After that, I forcibly used my "self-control" to get up in the morning for several days in a row (I forced myself using my strong desire for professional improvement as motivation). The tiredness I felt at work gradually disappeared after I insisted on my plan for a few more days. My self-control seemed to have been greatly improved. What woke me up before was the alarm clock, but now it is the pursuit of ideals. Even on weekends, I rarely stay up late like I used to, but instead go to bed early after planning the next day.

It can be said that according to the "I want" in this book, I successfully mobilized my desire of success and gradually developed it into a habit. Also, my self-control has improved significantly. I hope that this self-control can be maintained and further developed, rather than a flash in the pan. Keep it up!

READINGS FROM “HUAWEI IRON TRIANGLE MODEL”

DE Dept
Zhang Nan Hua



A few words of deep feeling

1. **The key roles of the program manager are product pattern builder, brand communicator, and profit keeper. (P037)**

2. **“People together are just a group, and hearts together are a team.” (P204)**

Insights:

- The 5P model of the program manager includes Plan, Place, Product, Promotion, and Profit. Here, it is emphasized that the core roles of the program manager are “product pattern builder,” “brand communicator,” and “profit keeper.”
- This is because only the program manager fully understands customers’ product and service needs, conducts in-depth research on customers’ needs, and also finds their pain points. This way, the program manager finds opportunities related to the company’s products and services, finds breakthroughs, and conducts product layout and access management.
- Product is formulated by the program manager through preliminary market planning and digging deep into the pain points of customer needs. Therefore, only the program manager can better formulate marketing strategies so that customers can perceive the value of products, solutions and services.

Insights:

- The so-called “heart” is a common goal or ideal. Goals determine behavior. Only by working together for a common goal can things be better.
- If “hearts” don’t work together, then each person’s strength in the team will go in different directions, and the result will be “1+1<1.”

- In the end, only when the sales project is profitable can the entire Iron Triangle team be considered successful. Then, in the LTC stages of the work flow, the program manager has to participate in each stage to help the project team achieve the goal. The stages go from formulating and implementing product solutions and pricing strategies, participating in contract management and control to product delivery control, etc.

Scenario association:

- Within the Iron Triangle, program managers do more than just provide product solutions. First, they need to dig deeper into the market and customer needs and then formulate product marketing strategies and monitor product delivery. The program managers provide better products only by analyzing the market and customers, instead of working behind closed doors.

Scenario association:

- In the process of enquiry or order, sales, technology, procurement, and production, everyone should focus on the common goal of how to facilitate customer orders and order deliveries to complete the project with flying colors.



Selected Articles from the Reading Challenge Competition

3. **“So, for companies that want to replicate the Iron-Triangle sales model and build their own Iron-Triangle team, they must first reshape their sales business work flows.” (P209)**

The aphorism that produces a sense of déjà vu

“For a normal project, we can generally gain insight into opportunity points from the following four dimensions.” (P085)

- The Huawei Iron Triangle has well summarized several dimensions of project insight opportunities, perhaps different from other companies' expressions, but the overall dimensions and directions are still basically concentrated in the market, products, customers, and competition.
- For example, in the cooperation project with FAW Car, the sales director of FAW put forward “five points and three decisions” to determine the project planning. The “five points” are “look at the direction,” “look at the industry,” “look at the competition,” “look at the customer,” and “look at yourself.”

The point “look at yourself” is not stressed enough in the book. I think this is where FAW Car is better than Huawei. “Looking at yourself” is an inward process in which you discovering and analyze your own strengths and weaknesses to better look outwards and find opportunities and breakthroughs that suit you.

Insights:

- Work flow is a management system to ensure the normal flow of business. The purpose of establishing a work flow is to allow the company or team to expand the key joints required by business work flows, work according to the established rules and paths, and ensure the efficiency of business operations.

Scenario association:

- Whether it be a sales team, technical team, etc., before launching a new business, it should first sort out and construct an efficient work flow for the business. Only in this way can the team comply with the established rules and ensure that the business advances in a direction that can be controlled by the rules.

The aphorism of the supreme wisdom

“Huawei’s first thought is, what exactly do customers need? What kind of solutions can maximize customer value and improve customer satisfaction?” (P35)

Insights:

- We can only think from the perspective of customers by facing their needs and expectations. What do customers need? What is the problem to be solved? To find a better solution.
- Superficial product solutions will be as superficial as the needs of customers they can respond to. Also, they will be similar to and unidentifiable from competing products, making it difficult to improve customer satisfaction.

Scenario association:

- Just like when we usually buy a toothbrush, the superficial need is to buy a toothbrush, a deeper need is a tool to brush our teeth, and the deepest need is to brush our teeth. So there will be different solutions for different levels of needs. Mouthwash suppliers bypass the superficial needs of toothbrushes and tooth cleaning and solve people’s most fundamental needs, thus opening up a new market.
- In contrast to our industry, for different products and scenarios, he needs reported by sales staff or customers are often the above-mentioned

“toothbrushes.” These are only superficial needs and are only ready-made or experienced solutions to basic needs. But what are the most fundamental and essential needs of our customers? In response to these needs, is there a solution that can solve the pain points better than the existing “toothbrushes”?

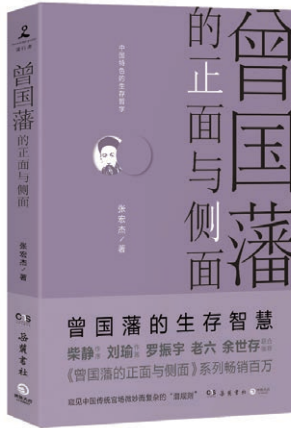
Would I recommend this book to a colleague or friend?

A: This is a book about Huawei’s sales system and working methods!

- This book summarizes and condenses the underlying logic of Huawei’s agile Iron Triangle and an end-to-end assurance work flow from lead to cash (LTC) to make sales go from uncertainty to certainty.
- At the same time, this book combines many internal cases of Huawei to make the content easier to understand.
- By referring to this book, whether it is a front-line salesperson, a sales executive leading a team, or a company executive, they can find their own direction and foothold on efficient of sales work or management methods, so as to improve themselves and their work.

READING FROM FRONT AND PROFILE OF ZENG GUOFAN - THE LIGHTTOWER

IR Dept
Zhu Wenfeng



Historians have mixed opinions on Zeng Guofan. Some call him a great man and a power behind the throne. Others revile him as a culprit, an executioner, a traitor. Yet, what I have seen through my reading is a man of flesh and blood. A passionate and thoughtful person with insight about himself and the world. In an era of tumult and upheaval, he made exemplary decisions at climactic moments, balancing integrity and personal interests, the noble and the profane, responsibility and avoidance, progress and retreat, what is fleeting and what is eternal.

In *The Willpower instinct*, I glimpsed Zeng Guofan's "sage-like" aspirations. Extremely demanding of himself, he set severe constraints when dealing with external matters, and held to a single-minded internal focus. He struggled with poor health throughout his life, yet he persisted in self-examination, and diligently worked towards eliminating his own shortcomings. Self-improvement was not all smooth sailing, nor was it possible to attain his goal through short bursts of effort. Zeng proposed that becoming a "sage" through perseverance and self-control would be the work of a lifetime.

Solitary and aloof, Zeng lived by some of the ideas found in *Edge: Turning Adversity into Advantage*. While in the capitol, he prepared three memorials to the throne criticizing Emperor Xianfeng and did not concede his opinion, persevering despite ostracization by his peers. Later, Zeng had an epiphany. He could only become efficient in mobilizing power through broad-minded acceptance of eclectic perspectives. Breaking through the limitations of his thinking would allow him to make great strides in ability. But regardless of how his tactics changed, Zeng remained true to his ambition of "pursuing Confucius and Mencius in inherent character, and following after Zhuge Liang his use of time."

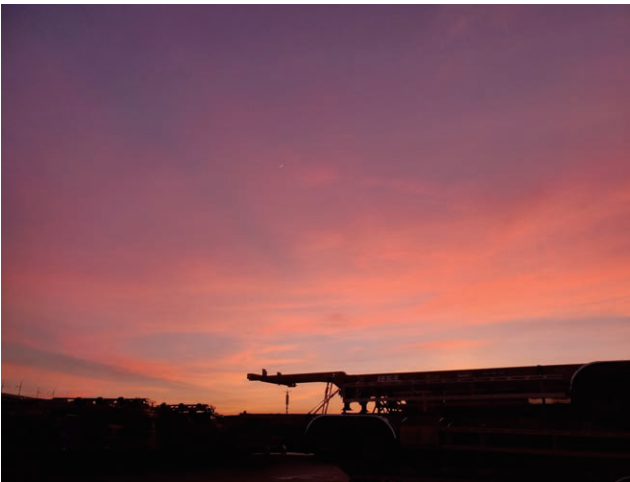
We see Zeng's influence in *Huawei Iron Triangle Model*. He understood that choosing the right person is more important than changing a person. His knowledge of people is historically significant. His principle of "selecting scholars to lead farmers," forms the basis of a framework for selecting and cultivating talent. He understood what incentives would be most motivating, and was a pioneer in implementing the principle of generous pay – rewarding soldiers with high salaries. Zeng also invited his subordinates into his confidence.

Zeng was a man of action when it came to strategy. Eschewing grandiose philosophy, he aimed to seek truth from known fact. Though he did not have a military education, Zeng was tenacious when it came to "building a strong fortress, and fighting a dull war." He did not rely on brilliant schemes. Instead, he chose a slow and steady approach to battle. The Xiang Army's eventual success relied on two words – "simplicity" and "sincerity."

Recently, I saw a widely shared article on the Internet. It was about a middle-aged man who had become unemployed during the COVID-19 pandemic. After graduating from a prestigious 985 university, the man had gone through many ups and downs in life, but eventually managed to attain a measure of financial success, with an apartment and car in Beijing. Then one day, with no warning, his company began layoffs. After much back and forth, the man decided to sell his apartment and return to his hometown, bidding farewell to his decade-long Beijing dream and lamenting the impermanence of life. Reading this, I felt a bit lost. Later in his life, Zeng was also confronted with the limitations of human ability. He felt that the scope of subjective effort was quite limited, and came to see that environment and timing are far more important than human effort. Though he understood that some actions should not be undertaken, and also understood the idiom, "when you have timing and luck, heaven and earth will align to aid you, when timing and luck depart, even the wisest of heroes are foiled," Zeng still tried desperately to reverse the decline of the Qing Dynasty, and passed on.

Sometimes, we endure and work hard for no measure of greatness, remaining ordinary in the end. As time passes, some engage in passionate and persistent struggles, others are lonely figures under the light of a dim lamp. No matter how our environment changes, we humans are unable to control time or fortune. Yet, like the great Zeng Guofan, we should persist with unwavering faith in the light tower that shines within our hearts. Zeng pursued innovation and progress in the era of his nation's collapse, he believed, "mistakes made in past lives can be corrected in this one, goals that were unreachable in past lives can be attained in this one." One person's strength and tenacity may shine brightly, and light up the world.

Photography Competition



Cultural Activities Showcase



20th Anniversary Milestone of CIMC Vehicles – Internal Publication (2002-2022)

On April 16, CIMC Group held the “Semi-trailer Product Launch of CIMC Group” at Ming Wah International Convention Centre in Shekou, Shenzhen. At the launch, Mai Boliang, president, officially announced the official commencement of CIMC’s second-level strategic business – specialty vehicle project. The first domestic semi-trailer order was secured at the product launch.



2002

In June, with the approval of the National Development and Reform Commission and the State Administration for Industry and Commerce, CIMC Heavy Machinery Co., Ltd. (中集重機公司) was officially renamed “CIMC Vehicles (Group) Co., Ltd.” As a result, the business of CIMC Vehicles was carried out according to the management structure of a group.

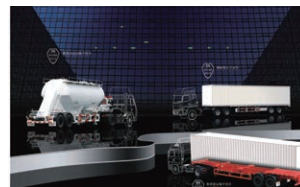
On October 22, in order to actively expand its presence in North America and build a more active and beneficial information sharing and communication platform for CIMC Vehicles and its partners, CIMC Vehicles held the first international seminar with the theme of “North American Inland Logistics Trends” in Shenzhen, which is the commencement of a series of “Seminars” for discussion and communication regarding overseas semi-trailer markets.

In October, Shenzhen CIMC Special Vehicle, the first production base of CIMC Vehicles was put into operation in Pingshan, Shenzhen.



2004

In April, the Ministry of Transport published the list of the first recommended models of road freight vehicles and vehicle trains. The 24 recommended vehicle models included 6 vehicle models of CIMC Vehicles. This is the first recognition of the products of CIMC Vehicles by the national transport authorities, which helped secure a foothold in the domestic market and win a good reputation for the products of CIMC Vehicles.



2006

In April, CIMC Vehicles acquired and merged DCLLC, a company in the United States, which laid the foundation for CIMC Vehicles to enter the chassis trailer market in North America.



2008

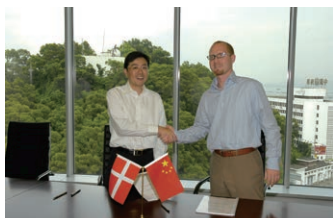
2003

In 2003, according to the strategic philosophy of “scientific planning, rational allocation, regional coverage, and unified standards”, CIMC Vehicles successively included in its industrial segments, Yangzhou Tonghua Company, Zhumadian Huajun Company, Ji’nan Kaogeer Company and other famous specialty vehicle enterprises in China by way of merger and acquisition, thus initially establishing a strategic position in China’s specialty vehicle industry.

In May, CIMC USA, a wholly-owned subsidiary in North America, was established by CIMC Group. Through the company, CIMC Group acquired HPA Monon, once the fifth-largest semi-trailer manufacturer in the United States, which represents the beginning of the global development strategy of CIMC Vehicles.

In July, CIMC won the bid for the order of 13,000 container semi-trailers from Maersk, the largest container shipping company in the world. It has been the largest export order of semi-trailer products secured by Chinese enterprises so far, indicating the entry of the semi-trailer products of CIMC into the international market.

In September, a groundbreaking ceremony for the specialty vehicle production base of CIMC in Shenzhen was held in Pingshan Town, Longgang District, Shenzhen, and the core enterprises in the strategic arrangement officially commenced their investment and development.



2005

On January 21, CIMC Vehicles established the first 4S shop for specialty vehicles, namely Shanghai CIMC Vehicle Logistics Equipment Co., Ltd.

Since then, CIMC Vehicles has vigorously expanded its domestic marketing service network, and gradually formed a full-coverage pattern of expanding its marketing service system with regional central cities as the backbone and Walmart-style park development as the model, and considering the focuses and general matters. A total of 5 regional center stores, 25 provincial-level branches and over 600 service stations have been set up, so that customers can fully enjoy one-stop value-added services in the whole life cycle, such as purchase, financing, insurance, maintenance, testing, licensing, and parts supply, in the high-quality network-based services.



2007

In April, CIMC Vehicles entered the semi-trailer market in Australia for the first time, establishing CIMC Vehicle Australia. On this basis, it acquired Marshall Lethlean Industries, the most potent tank trailer company in Australia.

In May, CIMC Vehicles entered the Southeast Asian market and commenced its investment and construction of the production base in Thailand (CIMC Vehicle (Thailand)).

In June, CIMC Vehicles began to carry out its business in Europe, acquiring and merging LAG Trailers N.V with a long history of producing tank transportation equipment in Belgium.



On March 20, the board of directors of CIMC Vehicles (Group) Co., Ltd. held a re-election, and Mai Boliang, president and Li Yinhui, vice president respectively served as the chairman and vice chairman of the new board of directors.

According to the resolution of the meeting of the new board, Li Guiping was appointed as the managing director of CIMC Vehicles (Group) Co., Ltd.

At the end of the year, CIMC Vehicles sold a total of 155,300 vehicles of various types for the year, exceeding 150,000 vehicles for the first time since 2004.



At the end of the year, CIMC Vehicles recorded a sales revenue of RMB17.3 billion for the year, exceeding RMB17 billion for the first time and a profit of RMB0.756 billion, respectively hitting record highs since 2004.

On October 31, Li Guiping, general manager of CIMC Vehicles, was entrusted by Mai Boliang, president, to attend the "SelectUSA" - 2013 Investment Summit held by the United States Department of Commerce in Washington, DC.

In November, CIMC-Silvergreen of CIMC Vehicles won the European Transport Award for Sustainability. In the same month, CIMC-Silvergreen of CIMC Vehicles was granted the "European Green Product Project Award" by the European Commission.



In April, the Dongguan light tower project (Phase I), which is known as the "advanced parts manufacturing center of CIMC Vehicles", was commenced in Wangniudun Town, Dongguan. The total investment of the Dongguan light tower project is RMB0.42 billion, with a gross floor area of 180,000 square meters, and an annual production capacity of 30,000 vehicles. The "Light Tower" Plant in Dongguan has three major characteristics, namely production management digitalization, flexible automation of product manufacturing, and green production process. The "Light Tower" Plant has become the benchmark for upgrading the manufacturing technology of CIMC Vehicles.

In October, CIMC Trailer Poland sp.z.o.o., a company of CIMC Vehicles in Poland held a simple and solemn opening ceremony in Gdynia, Pomerania, Republic of Poland. The establishment of the company of CIMC Vehicles in Poland represents an important milestone for the return of CIMC Vehicles to the European market as well as another great achievement in its strategy of "Global Operation, Local Knowledge."

At the end of the year, CIMC Vehicles successfully introduced three strategic investors, namely Ping An, Shenzhen Nanshan and Sumitomo Corporation, thus securing a total new investment of RMB1.25 billion. The successful introduction of strategic investors enables the Company to build a diversified and balanced shareholding structure with multiple shareholders and makes its global operations, strategic decision-making and strategic management more scientific, reasonable and efficient.



2010

2011

2013

2015

2009

In March, the Semi-trailer Research Institute of CIMC Vehicles was established. This is the first segment-level product technology research and development institute of CIMC Group. In January of the following year, the unveiling ceremony for the world's largest road simulation laboratory for semi-trailers was held in the Semi-trailer Research Institute, which represents the completion of the world-class testing center of CIMC Vehicles with a total investment of RMB60 million.

Since then, the Semi-trailer Research Institute has become the world's leading professional research institute with forward research and development capability. This promotes the upgrading of products of CIMC Vehicles and helps gradually form the core technical competitiveness of CIMC Vehicles in the world, thus laying a solid foundation for its goal of becoming a world-class enterprise.

In September, CIMC Vehicles established CIMC Reefer Trailer Inc., a refrigerated truck company in North America, and had the production base of the company officially completed and put into operation, thus effectively covering the North American market, and commencing the comprehensive development of business of CIMC Vehicles in North America.



2012

In March, at the invitation of ACT Research, a well-known commercial transportation research consultancy in North America, Li Guiping, managing director of CIMC Vehicles, attended the 46th ACT Seminar, where he gave a keynote speech entitled "Global Operation, Local Knowledge" on behalf of CIMC Vehicles. It was the first Chinese semi-trailer and specialty vehicle manufacturer to give a speech at the ACT Seminar influential in the commercial automobile industry in North America, indicating that the brand awareness of "CIMC Vehicles" was recognized in the United States.

In the same year, according to the statistics of Trailer Builder, a company in the United States, CIMC Vehicles ranked fifth in the specialty vehicle industry in the United States in 2011.

In June, on the occasion of its 10th anniversary, CIMC Vehicles officially established the business philosophy of "Global Operation, Local Knowledge" and published the Five-Year Plan of CIMC Vehicles for Strategy Development of Brands.



2014

In January, CIMC Vehicles completed the acquisition of GTE, thus injecting new resources and vitality into the overseas operation platform of CIMC Vehicles. GTE, founded in 1979, is the leading manufacturer and supplier of road transport equipment and services in Western Australia.

In March, CIMC Vehicles held the 9th Global Semi-trailer Seminar with the theme of "Using Global Wisdom - Using a Broader Perspective" in Las Vegas, the United States. More than 400 guests from all over the world attended the grand event, which was the first overseas Seminar of CIMC Vehicles.

In 2014, CIMC Vehicles began to explore the road to building a "Sophisticated Manufacturing System."



On November 5, CIMC Vehicles participated in the "2017 China Commercial Vehicles Show" sponsored by China Council for the Promotion of International Trade, Automotive Sub-council, in Wuhan. At the meeting, it announced the establishment of China Jiangsu Vanguard Trailer Rental Co., Ltd., officially entering the semi-trailer operating leasing industry.

At the "2017 Logistics and Transportation Vehicle Summit", Li Guiping, managing director of CIMC Vehicles, also gave a keynote speech with the theme of "Transformation and Upgrading of Chinese Specialty Vehicle Enterprises", introducing three winning formulas of CIMC Vehicles, namely global supply chain management, cross-over design, inter-continental production, and "Vanguard Trailer", an innovative business model of leasing and sharing semi-trailers.

On December 18, Ping An Capital acquired 10.77% of the shares of CIMC Vehicles, with a capital contribution of RMB818 million. After two investments, Ping An Capital held a total of approximately 27.6% equity interest in CIMC Vehicles, becoming its second-largest shareholder.



2017

On May 24, the "Super Magellan Plan" of Yangzhou Tonghua passed the acceptance inspection by the expert group, which marked the success of CIMC Vehicles in exploring and researching digital plants.

On July 11, CIMC Vehicles (stock code: 1839.HK) was listed on the Hong Kong Stock Exchange, becoming the first semi-trailer manufacturer with shares listed in the Hong Kong stock market. While exploring the road to capitalization and expanding the room for financing, it continuously improved its international management level and increased its brand premium.



2019

On July 8, CIMC Vehicles was officially listed on the ChiNext Market of the Shenzhen Stock Exchange in addition to the listing of H Shares in the Hong Kong Stock Exchange, thus becoming the world's first listed company engaged in sophisticated manufacturing of semi-trailers and specialty vehicles with the listing of A Shares and H Shares, as well as the first listed company with A shares and H shares since the adoption of the registration-based system for the ChiNext Market.

In September, Global Trailer published the data on the rankings of global semi-trailer manufacturers by production volume in 2021, showing that CIMC Vehicles had ranked first among semi-trailer manufacturers in the world for nine consecutive years.



2021



2016

In June, CIMC Vehicles completed the acquisition of Retlan Group (the UK's largest semi-trailer manufacturer, with two subsidiaries, namely SDC and MDF) as a wholly-owned subsidiary, at a price of 91.7 million pounds, which improved the ranking of CIMC Vehicles to third place in the European market.

In July, CIMC Vehicles held the 10th Global Semi-trailer Seminar with the theme of "Change of the Global Semi-trailer Industry" in Shekou, Shenzhen.

The event is the 10th Seminar held by CIMC Vehicles since 2004. Representatives of more than 350 customers, suppliers and partners from over ten countries and regions including China, the United States, the UK, Italy, Canada, Japan, Thailand, Hong Kong and Taiwan Province attended the meeting, witnessing the growth and win-win process of CIMC Vehicles and global partners on the communication platform.



2018

On May 28, CIMC Vehicles (Group) Co., Ltd., Antai College of Economics & Management, Shanghai Jiao Tong University and the MIT's Leaders for Global Operations (MIT LGO) program held a signing ceremony for school-enterprise cooperation in Shanghai. CIMC Vehicles (Group) Co., Ltd. officially became the corporate partner of SJTU - MIT China Global Operations (CLGO) program.

On July 28, the "Super Magellan Digital Production Line" of Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. was officially put into operation.

On October 10, CIMC Vehicles (Group) Co., Ltd. held its organizational meeting, the first meeting of the first session of the board of directors for 2018 and the first meeting of the first session of the supervisory committee for 2018.



2020

On November 20, during the 5th China (Guangzhou) International Commercial Vehicle Exhibition in 2020, CIMC Vehicles officially launch the "Tonghua Pioneer" series of products, which once again clearly showed its firm confidence in continuing to lead the industry development.

On December 25, the application of CIMC Vehicles for listing on the ChiNext Market was approved by the ChiNext Listing Committee of the Shenzhen Stock Exchange.



2022

In February, with its leading advantages in truck bodies for specialty vehicles and cold chain transportation, CIMC Vehicles provided chassis systems of snowboard waxing vehicles, catering refrigerated trucks and other important equipment for Beijing Winter Olympics, supporting the preparation and holding of the Winter Olympics with scientific and technological innovation.

In April, "Vanguard Trailer", a subsidiary of CIMC Vehicles, completed A round financing of over RMB100 million, showing that the development potential of Vanguard Trailer for timeshare rental and life-cycle management service businesses was highly recognized in the capital market.

